

## Rider D - Compensation

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## 1. GENERAL

The parties agree to the method of Business Partner compensation under this Contract as set forth in this Rider D. The Rider is organized into eight sections including General, Compensation Definitions, Compensation and Business Problems, Compensation Agreement, Summary of Performance Measures, Program Performance Measures, Management Performance Measures, and System Performance Measures. The General Section describes the organization and contents of the Rider. The Compensation Definitions Section defines key terms used in this Rider. The Compensation and Business Problems Section describes the basis for the compensation approach. The Compensation Agreement Section acknowledges the agreement of the parties to the Compensation terms, describes the general approach to Compensation and the three categories of Business Partner performance and the general rules concerning the Compensation Agreement. The Summary of Performance Measures summarizes the method of Compensation. The Program, Management, and System Performance Measures Sections describe the specific terms of Compensation including the milestones, dollar amounts payable and Performance Measures that must be achieved in order to compensate the Business Partner. All Business Partner Compensation is contingent upon the achievement of the Performance Measures under each of the three Performance Categories.

## 2. COMPENSATION DEFINITIONS

The following definitions concern terminology used in this Rider:

- 1) Business Partner – International Business Machines (IBM)
- 2) Business Problems – The five key strategic business problems that are to be solved through the CCSAS CSE Project, specifically (i) Certification; (ii) Worker Effectiveness; (iii) Customer Service; (iv) System Maintainability; and (v) System Implementation. Any one of the five enumerated Business Problems will be referred to as a "Business Problem".
- 3) Compensation – Payment to the Business Partner, contingent upon the realized value as demonstrated by the achievement of specific Performance Measures as set forth in this Rider D.
- 4) Compensation Milestone – A key event specified in this Rider D that requires the measurement of Business Partner performance using the Performance Measures for purposes of measuring realized value and determining if Compensation is payable to the Business Partner.
- 5) Compensation Stream – A group of Compensation Milestones described in Tables 5.1-1, 5.1-2 and 5.1-3 of this Rider D that represent the Business Partner opportunities for Compensation upon the achievement of specific Performance Measures.
- 6) Key Project Deliverables – Project CDL Item Deliverables associated to project Compensation Milestones as detailed in section 7.2 of this Rider D.
- 7) Management Performance – One of the three Performance Categories which provides the Business Partner the opportunity for Compensation based on achieving the Performance Measures for Business Partner provided project management and technical management Services on the CCSAS CSE Project.

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- 8) Performance Categories – The three groups of Compensation Streams on the CCSAS CSE Project: (i) Management Performance; (ii) Program Performance; and (iii) System Performance. Each of the Performance Categories is measured for performance for purposes of determining realized value and Business Partner Compensation.
- 9) Performance Measure – For purposes of Compensation, the criteria used for measuring the extent to which the Business Partner has addressed or solved the Business Problems—all five of the Business Problems are considered solved when all of the Performance Measures specified in this Rider D are achieved.
- 10) Program Performance – One of the three Performance Categories which provides the Business Partner the opportunity for Compensation based on achieving the improvements of the Child Support Program.
- 11) System Performance – One of the three Performance Categories which provides the Business Partner the opportunity for Compensation based on achieving the Performance Measures for service level objectives, which objectives will be based on Specifications in Rider G and which will be refined during the engineering of the CSE System, and for Business Partner provided system capabilities and technical Services related to the CSE System.
- 12) Base Contract Amount – \$801,202,166, which is the Contract price at the time of Contract signing. This amount does not include the \$50,000.00 for the State's portion of the performance bond as described in Paragraph 4 of the General Terms and Conditions.
- 13) Closure Document - The transmittal letter produced by the Business Partner and properly submitted to the State for purposes of verifying that the applicable Compensation Milestone has been achieved for the LCSA Conversion, Retirement of a Legacy System, Retirement of a State Auxiliary System, the Customer Service Support Center, or other mutually identified deliverables tied to Compensation.
- 14) In-production Use – Indicates that the system version or component being referenced is used for daily operations by authorized Child Support Program users of that component or external customers where applicable. For the purposes of measurement of System and Program Performance, In-production Use shall not occur before January 15, 2006, except as set forth in Section 6.2.5, Section 6.3.4 and Section 10 of this Rider D.
- 15) Key Events - Key Events include the following, as described in Rider G and in Section 7.3:
- a. Permanent Project Facilities
  - b. Legacy Data Archive Database
  - c. Technical Progress Reviews
  - d. Operational Readiness Assessments and Reviews
- 16) Three-year Extension – The additional time, up to three years, that the State shall extend the measurement period, and if necessary the term of the Contract, to allow the Business Partner to realize specific Program Performance Measures as described in this Rider D, in the event that the Performance Measures are not realized during the measurement period.

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- 17) Deliverable Change Request – A document indicating that the process used by the CCSAS Project for changing an accepted contract deliverable in compliance with an approved change order has occurred.

### 3. COMPENSATION AND BUSINESS PROBLEMS

The Department of Child Support Services (DCSS) has identified and defined the Business Problems for the CCSAS Project. The Business Partner will work collaboratively with FTB and DCSS to solve the Business Problems, by delivering the CSE System meeting the Specifications, as defined in Rider G, and whose performance is measured for Compensation purposes as described in this Rider D. This business partnership is one that is focused on meeting the business needs and providing business value to the California Child Support Program. The resolution of the Business Problems as described in this Rider D is the basis of Business Partner Compensation under the Contract.

Consistent with California legislative mandates, the CCSAS Project will use a performance based Compensation approach. This approach bases Business Partner Compensation on value realized by the State, with Performance Measures tied to strategic Business Problems as the method for measuring this value. The result is that Business Partner Compensation occurs only if and when the Performance Measures specified in this Rider D are achieved. Business Partner Compensation is not based solely on developing a system that meets requirements or producing project deliverables, but rather is based on developing a CSE System that solves Business Problems using structured, systematic project management and technical management practices.

The Business Problems represent the business needs of the Child Support Program and must be addressed by the Business Partner. A total of five Business Problems are identified. Business Partner Compensation is contingent upon solving each of the five Business Problems identified in this Rider D. All five of the Business Problems are considered solved when specific Compensation Milestones have been reached, the Performance Measures for those Compensation Milestones have been measured, and the State has determined that the Performance Measures have been achieved. Basing Business Partner Compensation on solving the Business Problems achieves common project objectives and shares the project risks between the State and the Business Partner.

#### 3.1 Description of Business Problems

The five Business Problems reflecting the business needs of California's Child Support Program are summarized below and more particularly described in Rider G of this Contract.

##### 3.1.1 Business Problem i: Certification

The State is not in compliance with the federal automated systems requirements of the Family Support Act of 1988 (FSA '88) and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

##### 3.1.2 Business Problem ii: Worker Effectiveness

Worker effectiveness and accountability is constrained by the lack of timely, adequate and accurate data; the lack of uniformity; and limited system functionality and automation.

### 3.1.3 Business Problem iii: Customer Service

Customer service is constrained by the lack of timely, adequate, accurate and accessible data; clear and understandable communication of information; lack of uniformity; and limited system functionality and automation.

### 3.1.4 Business Problem iv: System Maintainability

System maintainability is constrained by disparate systems, inadequate documentation, the lack of open system architecture, and business changes.

### 3.1.5 Business Problem v: System Implementation

Implementation of the new system is constrained by disparate systems, complex business rules, number of locations, and changes in the way of doing business.

## 3.2 Partnership

The Business Partner brings significant operational, program, and systems experience to bear in the development and implementation of the CCSAS CSE application. The Department of Child Support Services (DCSS) recognizes the value and necessity of an effective partnership between the State and the Business Partner in solving the Child Support Program Business Problems. The Business Partner shall offer input to, and work collaboratively with, DCSS to assist in solving the Business Problems. In the design, development, and implementation of the CSE System the Business Partner may have strategies to offer in response to new program initiatives or regulations that may be in development during the duration of the CCSAS project. The BP is encouraged to offer recommendations for consideration in the formulation of a DCSS position on an issue or directive. DCSS in conjunction with CCSAS project Staff, will consider the BP suggestions for modifications to policies, procedures, regulations, and program initiatives. Any recommendations will be considered in the context of the DCSS strategic plan, and in furtherance of the overall mission and goals of the CSE program.

DCSS implemented a Program Improvement Team (PIT) effort in every county based on caseload size through dedicated funding reserved for this purpose. The PIT positions are available for specialized activities focused on improving program performance, and other data or program clean up activities. The CCSAS CSE compensation approach ties compensation to solving business problems including worker efficiency and customer service. In order to meet business problem objectives and to improve overall program performance the Business Partner desires to offer recommendations for targeted projects to improve performance. These projects will be defined by business intelligence from the CCSAS system or from best practices (from California as identified by other states, or by OCSE). Ideas for projects will be presented to DCSS for consideration and evaluation for timeliness, consistency with program objectives, efficiency, practicality, and overall benefit. DCSS and CCSAS project staff, will consider the CCSAS project impact, including resource use, risk, and benefit, of the Business Partner recommendation. If a Business Partner recommendation is adopted, DCSS will instruct the counties on the parameters, staffing requirements, criteria, project objectives, and relationship to ongoing quality effort in Quality Assurance Performance Improvement. DCSS, in partnership with the Business Partner, will monitor and evaluate the success of the effort in order to determine if changes to the program improvement effort are necessary.

## 4. COMPENSATION AGREEMENT

### 4.1 Compensation Agreement

The parties agree that the Performance Measures described in this Rider D are reasonably attainable and are to be used to measure the realized value of Business Partner-provided Services and deliverables and determine the amount of Business Partner Compensation.

The State and Business Partner agree that the Performance Measures identified in this Rider D are measurable. The CSE System Compensation requires regular and periodic measurement of the Performance Measures in each of the three Performance Categories (Management Performance, Program Performance and System Performance) at each specified Compensation Milestone. These Compensation Milestones represent opportunities for Business Partner Compensation and the time at which the State assumes responsibility to measure performance consistent with agreed to criteria described as Performance Measures that demonstrate the extent to which the Business Partner has solved the Business Problems.

The parties agree that the Performance Measures are reasonable and necessary to determine the State's realized value. However, in the normal course of design, development and implementation of the Business Partner's solution, changes in the Performance Measures may arise including refinements to measures and identification of new and different State benefits not specifically represented in the Performance Measures identified in this Rider D. The parties agree that this Rider D may at the discretion of the parties, be amended to include those changes subject to the mutual agreement of the parties regarding the necessary refinements or the existence, magnitude and method of estimating additional benefits and the corresponding method of measuring performance. It is the intent of the parties that the Business Partner receives credit for measurable benefits attributable to the implementation of the Business Partner's solution and it is the intent of the State to implement the CSE System in accordance with Rider I of this Contract, so that such benefits can be realized without delay.

The parties recognize that certain political or economic events beyond the control of the Business Partner or State could affect the cost, schedule or achievement of the Performance Measures. Examples of such events might include but are not limited to changes in applicable laws, major government reorganizations and shifts in policy, shortfalls in Child Support Program funding or Distributed Collections attributable to economic conditions. If such an event occurs, a mutually satisfactory adjustment may at the discretion of the parties, be made to the Contract, including to the terms of this Rider D.

The State and the Business Partner agree to allocate one hundred percent (100%) of the Base Contract Amount to the three Performance Categories identified in Sections 4.2, 4.3, and 4.4 below and more specifically discussed throughout this Rider D.

### 4.2 Program Performance

The parties agree to allocate forty percent (40%) of the Base Contract Amount to Program Performance. This amount is for the Business Partner's delivery of a CSE System with functionality that achieves federal certification, improves Program Performance including interstate collections, improves worker efficiency and effectiveness, improves customer service and improves system maintainability. This Program Performance solves the Certification Business



Problem identified in Section 3.1.1 above as the CSE System will comply with federal system requirements; solves the Worker Effectiveness Business Problem and the Customer Service Business Problems identified in Sections 3.1.2 and 3.1.3 above. The CSE System will provide new and improved case worker and customer service functions, data, tools, access and automation; and addresses the System Maintainability Business Problems identified in Section 3.1.4 above as current data is systematically converted and legacy child support systems in California are retired.

#### **4.3 Management Performance**

The parties agree to allocate forty percent (40%) of the Base Contract Amount to Management Performance. This amount is for the Business Partner's management of the Project and engineering of the CSE System consistent with federal and State requirements, industry standards and the requirements of Rider G so that the CSE System is successfully implemented with the necessary system documentation, meets the State and federal requirements identified in this Contract and is completed consistent with the agreed to Project Schedule, and incorporates lessons learned from the SACSS Project. This Management Performance solves the System Implementation Business Problem identified in Section 3.1.5 above and addresses the Certification and System Maintainability Business Problems summarized in Sections 3.1.1 and 3.1.4 above.

#### **4.4 System Performance**

The parties agree to allocate twenty percent (20%) of the Base Contract Amount to System Performance. This amount is for the delivery of a CSE System that meets the Specifications as described in Rider G of this Contract. This System Performance solves the System Maintainability Business Problem identified in Section 3.1.4 above as the CSE System is designed and available to support Child Support Program business operations including policy changes.

#### **4.5 Contract Compensation and Base Contract Amount Amendment**

The Compensation percentages and dollar amounts set forth in this Rider D are based upon and calculated upon the Base Contract Amount. If the Contract price is amended in the future, such additional Compensation amount shall set forth in detail how it affects, if at all, the Compensation Streams specified in this Rider D. In no event shall an increase to the Base Contract Amount entitle the Business Partner to additional Compensation for previously paid Compensation. Any such amendment to the Compensation shall be agreed to in writing by the parties to this Contract.

#### **4.6 Compensation Rules**

The following rules shall apply to Compensation as described in this Rider D unless otherwise specified:

- Rule 1. All Business Partner Compensation shall be performance based and shall utilize the Performance Measures specified in this Rider D that address all five Business Problems described in section 3.1 of this Rider D.
- Rule 2. Business Partner Compensation shall fall within the three Performance Categories.
- Rule 3. The Compensation Agreement as reflected in this Rider D shall demonstrate relationships among Business Problems, Performance Categories, Compensation Milestones and Performance Measures.



- Rule 4. Business Partner Compensation for each Compensation Stream is limited to the amount allocated to the Compensation Stream.
- Rule 5. Business Partner Compensation for each Compensation Milestone is limited to the amount allocated to the Compensation Milestone except for accelerations or recoveries specified in this Rider D and any equitable adjustments resulting from application of Compensation Rules 6 or 7.
- Rule 6. In the event the State and Business Partner mutually agree upon material changes to their implementation strategies or plans that affect Compensation Milestones in this Rider D, the Compensation that is affected by these changes will be reassigned to other or additional Compensation Milestones within the Compensation Stream pursuant to the Change Request Management process. The methodology for reallocating the Compensation will be driven by the specific change and the timeframe during project execution when it occurs. The State and Business Partner will work in partnership to determine equitable treatment of any such impacts to the Compensation Streams.
- Rule 7. For those Performance Measures based on State Acceptance (i.e., Key Project Deliverables and Key Events), "Conditional Acceptance", as described in Rider I, is a basis for Business Partner Compensation as follows:

- When the outstanding condition is outside the control of the Business Partner and the Business Partner has met all of its required responsibilities as described in Rider G concerning that Performance Measure, the Business Partner shall be paid in full the amount due for that Performance Measure, as identified in the State's Acceptance Notice showing Deficiencies that require no corrective action by the Business Partner.
- When the outstanding condition identified in the State's Acceptance Notice concerns Business Partner responsibilities dependent upon State responsibilities that the State has failed to perform for that Performance Measure, the State shall, as part of its Conditional Acceptance, withhold a portion of the Business Partner's Compensation sufficient in the State's discretion to equitably reduce in a pro-rata fashion the Compensation to reflect the value of the remaining conditions to be performed by the Business Partner, unless otherwise specified in Rider D.
- When the outstanding condition identified in the State's Acceptance Notice concerns only Business Partner required responsibilities for that Performance Measure, the State may, as part of its Conditional Acceptance, withhold a portion of the Business Partner's Compensation sufficient in the State's discretion to equitably reduce in a pro-rata fashion the Compensation to reflect the value of the remaining conditions, unless otherwise specified in Rider D.
- The amount of Business Partner compensation withheld to correct conditions identified in the State's Acceptance Notice is payable only when the outstanding conditions have been corrected and Accepted by the State. In the event that outstanding conditions have not been corrected through a Remedy for Failure to Correct Deficiencies as described in Rider I, the State at its discretion may Unconditionally Accept the Acceptance Deliverable pursuant to Section 1.5.3 (b) of Rider I and permanently withhold an amount of

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Compensation reflecting the value of the still remaining outstanding conditions to be performed by the Business Partner.

Rule 8. State Acceptance is defined in Rider I.

Rule 9. The State shall review the Closure Document as described in this Rider D and respond to the Business Partner within a period of five (5) state business days of the receipt of a Closure Document. If the State determines that the Performance Measure has not been achieved, the State will then have up to five (5) additional state business days to document specific actions required of the Business Partner to correct the outstanding business issue. If Performance has been achieved Business Partner Compensation is payable for the amount allocated to the Milestone. If performance has not been achieved no Compensation is payable. The Business Partner will be paid upon the correction of the conditions that cause payment to be withheld, except where otherwise specified in Rider D.

## 5. SUMMARY OF PERFORMANCE MEASURES

### 5.1 Overview

This section identifies at a summary level the Compensation Streams, applicable portions of the Base Contract Amounts to be paid to the Business Partner for each Compensation Stream (represented in the tables as "Compensation Amount" for that particular Compensation Stream), Compensation Milestones and Performance Measures for each of the three Performance Categories. The details concerning the elements of each individual Compensation Stream may be found in Sections 6-8 below. (Amounts shown have been rounded to the nearest dollar.)

#### 5.1.1 Program Performance Compensation

**Table 5.1-1**

COMPENSATION STREAM	COMPENSATION AMOUNT	SUMMARY OF COMPENSATION MILESTONES	SUMMARY OF PERFORMANCE MEASURES
Federal Performance Measures and Benefits Realization	\$80,120,217 (10% of the Base Contract Amount)	Quarterly and annual measures commencing on In-production Use of Version 1 of the CSE System	Federal Measures, increased collections, and cost avoidance are achieved
Customer Service	\$40,060,108 (5% of the Base Contract Amount)	<ul style="list-style-type: none"> <li>In-production Use of CSE Version 2;</li> <li>State Acceptance of Operational Readiness Assessment and Review V1</li> <li>In-production Use of the Customer Service Support Center</li> </ul>	Customer Service Objectives are met

COMPENSATION STREAM	COMPENSATION AMOUNT	SUMMARY OF COMPENSATION MILESTONES	SUMMARY OF PERFORMANCE MEASURES
Maintenance and Operations Savings	\$40,060,108 (5% of the Base Contract Amount)	LCSA Conversions, Retirement of County Legacy Systems and State Auxiliary Systems	Achievement of System Maintenance and Operations cost savings attributed to system conversions and system retirements
Meeting Federal Requirements	\$160,240,433 (20% of the Base Contract Amount)	Statewide In-production Use of the CSE System	Federal system Certification status is achieved

## 5.1.2 Management Performance Compensation

Table 5.1-2

COMPENSATION STREAMS	COMPENSATION AMOUNT	SUMMARY OF COMPENSATION MILESTONES	SUMMARY OF PERFORMANCE MEASURES
Balanced Scorecard	\$80,120,217 (10% of the Base Contract Amount)	Quarterly Project Management Reviews commencing in project month four (4).	Business Partner achieves Satisfactory Management Performance grade or better
Key Project Deliverables	\$160,240,433 (20% of the Base Contract Amount)	Key Project Deliverables are completed and ready for review in accordance with the Acceptance procedures of Rider I.	State Acceptance of Key Project Deliverables in accordance with the Acceptance procedures of Rider I.
Key Events	\$80,120,217 (10% of the Base Contract Amount)	Key Events are achieved	State Acceptance of Key Events and in accordance with the Acceptance procedures of Rider I.

## 5.1.3 System Performance Compensation

Table 5.1-3

COMPENSATION STREAMS	COMPENSATION AMOUNT	SUMMARY OF COMPENSATION MILESTONES	SUMMARY OF PERFORMANCE MEASURES
System Defects-V1	\$32,048,087 (4% of the Base Contract Amount)	Quarterly milestones commencing upon In-production Use of the CSE Version 1	Avoidance and clearance of Severity 1 and 2 Defects per Release Schedule each quarter
System Defects-V2	\$48,072,130 (6% of the Base Contract Amount)	Quarterly milestones commencing upon In-production Use of the CSE Version 2	Avoidance and clearance of Severity 1 and 2 Defects per Release Schedule each quarter
System Maintenance and Operations	\$80,120,217 (10% of the Base Contract Amount)	Quarterly milestones commencing one month after In-production Use of the CSE Version 1	System Availability, and Help Desk Call Wait Time met, and Business Partner achieves Satisfactory M & O Management Performance grade or better

## 6. PROGRAM PERFORMANCE MEASURES

### 6.1 Federal Measures

This section addresses Compensation for the achievement of Federal Performance Standards for IV-D Paternity Establishment, Percentage of Cases with Child Support Orders, Current Collections Performance, Arrearage Performance and Cost Effectiveness. Compensation in this area is tied to the Business Problem of Worker Effectiveness. Improved Worker Effectiveness will directly impact the performance of the five Federal Measures as the CSE System provides new and improved case worker functions, data, tools, access and automation.

At quarterly or annual increments, per the table below, the State will measure Business Partner performance against Federal Performance Standards for the Performance Measure. When the Business Partner meets or exceeds the Federal Performance Standard, the State has realized value for the amount allocated to the Compensation Milestone.

**Table 6.1-1**

COMPENSATION STREAMS	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES (MUST MEET OR EXCEED FEDERAL PERFORMANCE STANDARD)
P200 - P203	Up to \$600,903 per year for 4 years	Annual Measurement of IV-D Paternity Establishment beginning one year after In-production Use of CSE Version 1	Achievement of Federal Performance Standard for IV-D Paternity Establishment
P204 – P219	Up to \$150,226 per quarter for 16 quarters	Quarterly Measurement of % of Cases with Child Support Order beginning two months after In-production Use of CSE Version 1	Achievement of Federal Performance Standard for percentage of Cases with Child Support Orders
P220 – P235	Up to \$150,226 per quarter for 16 quarters	Quarterly Measurement of Current Collections Performance beginning two months after In-production Use of CSE Version 1	Achievement of Federal Performance Standard for Current Collections Performance
P236 – P239	Up to \$400,602 per year for 4 years	Annual Measurement of Arrearage Performance beginning one year after In-production Use of CSE Version 1	Achievement of Federal Performance Standard for Arrearage Performance
P240 – P247	Up to \$200,302 per quarter for 8 quarters	Quarterly Measurement of Cost Effectiveness beginning two months after In-production Use of CSE Version 1	Achievement of Federal Performance Standard for Cost Effectiveness
<b>Compensation Stream Total</b>	<b>\$10,415,628</b>		

#### 6.1.1 Key Terms in this Section

- Current Performance. The performance level for a particular Federal Measure in the then-current reporting period, as calculated using the formula presented in this Rider D.
- Data Reliability. As part of the annual OCSE 157 reporting submitted to the Federal government, Data Reliability tests may be applied to the State's underlying program data for selected Federal Measures. Recovery of missed Compensation opportunities, as described in Section 6.2.2, is subject to any Data Reliability tests that may apply to the measure. Routine quarterly or annual measurements are not required to meet Data Reliability tests.
- Federal Measures. The five child support program measures set forth in 42 USC 658A and 45 CFR 305.2, as of FFY2001. These measures are reported in the annual OCSE 157 reporting submitted to the Federal government. These measures are used to determine each state's annual child support program performance incentive and are the basis for this Compensation Stream.
- Measurement Period. The Measurement Period for the Federal Measures P200 through P239 is four years, commencing upon In-production Use of CSE Version 1. The Measurement Period for Cost Effectiveness, measures P240 through P247, is two years, commencing at the mid-point of the four-year period previously set forth in this definition. The Measurement Period may be extended for up to three years to recover missed Compensation opportunities that remain open at the end of the four-year Measurement Period.
- Federal Performance Standard. The minimum performance level that must be met or exceeded for each Federal Measure are those specified in 42 USC 658A and 45CFR Section 305.2, effective FFY2001, and shall remain in effect for the entire Measurement Period.

#### 6.1.2 Scope and Approach

Compensation in this Compensation Stream is derived from performance of the five Federal Measures that are used to determine the program performance incentives provided annually by the Federal authorities. Many aspects of the Compensation approach for the five Federal Measures have common treatment. This subsection will describe the treatments that are consistent for all five measures.

Measurement Frequency. Performance associated with this Compensation Stream will be measured on a recurring basis once the Measurement Period commences. Although the actual CSE performance reporting is made to the Federal authorities on an annual basis, three of the calculations are measured quarterly for Compensation purposes under this Contract:

- Percentage of Cases with a Support Order;
- Current Collections Performance; and
- Cost Effectiveness.

Performance will be measured for each of these three Federal Measures on a quarterly basis on a schedule to be agreed-to by the State and the Business Partner, based on the availability of the performance data.

The remaining two Federal Measures will be measured on an annual basis for Compensation purposes under this Contract when the data is available:

- IV-D Paternity Establishment; and
- Arrearages Performance

Once annual data is available, the Compensation calculation will be made for the two annual measures regardless of the timing requirements of the OCSE reporting.

**Determining Compensation Amounts.** The total Compensation amount allocated to the Federal Measures is distributed between the five Federal Measures based on their weighting in the Federal incentive calculation. The amount assigned to each Federal Measure is spread equally over the four-year base Measurement Period (either over four annual reporting cycles, sixteen quarterly reporting cycles, or eight quarterly reporting cycles), as shown in the table at the beginning of this section. Compensation is accrued separately for each Federal Measure and is payable if Current Performance meets or exceeds the Federal Performance Standard.

**Table 6.1-2**

	<b>P200-203 IV-D PATERNITY ESTABLISHMENT</b>	<b>P204-219 % OF CASES WITH CHILD SUPPORT ORDER</b>	<b>P220-235 CURRENT COLLECTIONS PERFORMANCE</b>	<b>P236-239 ARREARAGE PERFORMANCE</b>	<b>P240-255 COST EFFECTIVENESS</b>
Base Measurement Period	Four Years	Four Years	Four Years	Four Years	Two Years
Measurement Frequency	Annual	Quarterly	Quarterly	Annual	Quarterly
Periodic Compensation Amount Cap (\$ per quarter / \$ per year)	n/a per quarter / \$600,903 per year	\$150,226 per quarter / \$600,903 per year	\$150,226 per quarter / \$600,903 per year	n/a per quarter / \$400,602 per year	\$200,302 per quarter / \$801,208 per year
Federal Performance Measures Calculation (as set forth in 45 CFR 305.2)	Statewide PEP Total number of children born out-of-wedlock for whom paternity was acknowledged or established during the fiscal year divided by Total number of children in the state born out-of-wedlock during the preceding fiscal year	Number of IV-D cases with a support order divided by the total number of IV-D cases	Total dollars collected for current support in IV-D cases divided by the total dollars owed for current support in IV-D cases	Total number of eligible IV-D cases paying towards arrears divided by the total number of IV-D cases with arrears due	Total IV-D dollars collected divided by the total IV-D dollars expended
Federal Performance Standard (as set forth in 45 CFR 305.2)	50%	50%	40%	40%	\$2.00

Recovery of Missed Compensation. In the event a Federal Measure does not achieve the Federal Performance Standard in a period, the missed Compensation may be recovered in a future period. In the event a Federal Measure is failing to meet the Federal Performance Standard before the Compensation Measurement Period commences, whether it is an annual measure or a quarterly measure, recovery can occur in the next annual OCSE performance report. Missed Compensation for a quarterly measure that did not qualify for the above treatment (i.e., the Federal Performance Standard is met going into the Measurement Period) can be recovered in that year's OCSE reporting. Otherwise recovery is deferred to the three-year extension after the base Measurement Period. For an annual Federal Measure that did not qualify for the above treatment, recovery of missed Compensation can only occur during the three-year extension. The timeframe and approach for recovery depend on the prior performance of the measure and whether it is a quarterly or annual measure as is described in more detail below:

- If a Federal Measure does not meet or exceed the Federal Performance Standard during the first year of the Measurement Period and the same measure also did not meet or exceed the Federal Performance Standard in the annual federal reporting period immediately prior to the Measurement Period, then the missed Compensation may be recovered in conjunction with the annual OCSE 157 performance reporting in the second year of the Measurement Period. If the same Federal Measure meets or exceeds the Federal Performance Standard in year two and passes any applicable test for data reliability in the OCSE report, then the missed Compensation shall be accrued and payable. If the same Federal Measure does not meet or exceed the Federal Performance Standard in year one and year two then the missed Compensation shall be accrued and payable if the same Federal Measure meets or exceeds the Federal Performance Standard and passes any applicable test for data reliability in the OCSE report in year three.
  - There will be a total of two opportunities during the base Measurement Period (associated with the year two and year three annual OCSE 157 performance reporting) to recover missed Compensation on a Federal Measure that did not meet the Federal Performance Standard in the annual federal reporting period immediately prior to the Measurement Period.
  - The immediate opportunity to recover missed Compensation in the subsequent year of the base Measurement Period only applies to a Federal Measure that did not meet the Federal Performance Standard going into the Measurement Period.
  - Once the measure achieves the Federal Performance Standard in an OCSE 157 performance report during the Measurement Period, recovery of any Compensation missed in the future can no longer occur in the base Measurement Period and the recovery methods below shall apply.
- In the case of a missed quarterly Federal Measure (Percent of Cases with Orders, Percent of Current Support Collected, and Cost Effectiveness), including one missed in the final quarter of a reporting year, recovery of all quarterly amounts may occur with that year's annual OCSE 157 performance report if the annual measurement meets or exceeds the Federal Performance Standard, subject to applicable data reliability tests.
  - If the measure does not meet the Federal Performance Standard in the annual OCSE 157 performance report, any amounts missed for that year cannot be recovered until the base Measurement Period is concluded. Up to 12 quarters



worth of missed Compensation may be recovered during the three-year extension of the base Measurement Period. Performance will continue to be measured on a quarterly basis throughout the extension or until the missed Compensation has been recovered. The same measurement and annual recovery approach used during the base Measurement Period apply as more particularly described in 6.1.2 Scope and Approach *Determining Compensation Amounts*.

- Any annual Federal Measure (Percent of Cases with Paternity Established and Percent of Cases with an Arrears Collection) missed in the OCSE 157 performance report cannot be recovered until the base Measurement Period is concluded. Up to three year's worth of missed Compensation may be recovered during the three-year extension of the base Measurement Period. Performance will continue to be measured on an annual basis throughout the extension or until the missed Compensation has been recovered, using the same measurement approach as during the base Measurement Period as more particularly described in 6.1.2 Scope and Approach *Determining Compensation Amounts*.

### 6.1.3 Compensation Calculation

The Compensation calculation formulas for each Federal Measure are shown in the Table 6.1-2. If Current Performance meets or exceeds the Federal Performance Standard then Compensation is payable.

## 6.2 Benefits Realization

- This section describes Compensation for increased collections over Benefits Baseline for Current Support, Arrearages, Wage Assignments, Interstate and Medical Support Benefits. Compensation in this area is tied to the Business Problem of Worker Effectiveness. Improved Worker Effectiveness will favorably impact the amount of Distributed Collections as the CSE System provides new and improved caseworker functions, data, tools, access and automation.
- At quarterly increments the State will measure Business Partner performance against Benefits Baseline for the milestone in question. When the Business Partner exceeds the Benefits Baseline the State has realized value for the Benefits amount measured.

**Table 6.2-1**

<b>COMPENSATION STREAMS</b>	<b>COMPENSATION AMOUNT</b>	<b>COMPENSATION MILESTONES</b>	<b>PERFORMANCE MEASURES</b>
P256 – P271	\$4,356,536 per quarter for 16 quarters subject to missed Compensation opportunities rolling forward (see section 6.2.3)	Sixteen quarterly measurements of collections and cost avoidance beginning two months after In-production Use of CSE Version 1	Increased Distributed Collections over Benefits Baseline for the following measures, which are reflective of key business drivers in the CSE Program: <ul style="list-style-type: none"> <li>□ Collections of Current Support,</li> <li>□ Collections of Arrearages,</li> <li>□ Collections through Wage Assignments,</li> <li>□ Interstate Collections, and Benefits through the Provision of Medical support.</li> </ul>
<b>Compensation Stream Total</b>	<b>\$69,704,588</b>		

#### 6.2.1 Key Terms in this Section

- Benefits Baseline. The Distributed Collections performance threshold for accruing Benefits Realization Compensation. The Benefits Baseline value is unique for each of the individual Distributed Collection measures being measured for Business Partner Compensation and represents the expected value of Distributed Collections for a quarterly period during the Measurement Period. The State will derive the Benefits Baseline for each Distributed Collection measure from historic child support program performance data using the following methodology: Quarterly Distributed Collections data for at least three years prior to the implementation of CSE Version 1 (defined as the “Benefits Baseline Period”) will be analyzed to determine trends during the Benefits Baseline Period and establish the Benefits Baseline for each quarterly period during the Measurement Period. Benefits Baseline values will be calculated by projecting the Benefits Baseline trend into the Measurement Period using a simple lineal regression approach with seasonal adjustments. The Benefits Baseline will be monitored and evaluated on a continuing basis to ensure it supports the intent of pay-for-performance. The Benefits Baseline may be adjusted in the discretion of the parties, by the mutual agreement of the State and the Business Partner.
- Base Quarterly Compensation. An amount equal to one sixteenth of the total Compensation for this Compensation stream, used to calculate the Quarterly Compensation Cap and the Benefits Realization Compensation for any quarter.

- Benefits. Quantified performance in excess of or less than the Benefits Baseline. Fifty percent (50%) of Benefits realized will be payable as Compensation to the Business Partner (referred to as Compensation Benefits in this Rider D). Benefits measured for a period may be either positive or negative.
- Benefits Bank. A ledger maintained by the State reflecting cumulative Compensation Benefits realized in excess of cumulative Benefits Realization Compensation paid to the Business Partner. The Benefits Bank may be used to augment payments that otherwise do not meet the Actual Quarterly Payment Cap for any given quarter during the Measurement Period, as detailed below in Section 6.2.3. This will also eliminate payment spikes in the event Benefits realization exceeds expectations, and will result in a predictable payment stream. Distributed Collections that do not meet the Benefits Baseline for a quarter during the Measurement Period (i.e., negative Benefits realization) will also be accounted for in the banking approach through a reduction to the Benefits Bank Balance. Calculation of Benefits realization shall be applied first to the bank prior to a determination of Compensation.
- Benefits Bank Balance. An amount equal to the Compensation Benefits for a quarter minus the Benefits Realization Compensation for that quarter. The cumulative excess/shortfall of Compensation Benefits, used to calculate the Compensation Benefits in the following quarter. The Benefits Bank balance may go negative but must be net zero or positive in order to accrue Benefits Realization Compensation in the then current period.
- Benefits Realization Compensation. The amount to be paid in Compensation to the Business Partner for any quarter. This is equal to the lesser of the Compensation Benefits and the Quarterly Compensation Cap, or zero (\$0) if the Compensation Benefits are negative.
- Compensation Benefits. An amount equal to the sum of fifty percent (50%) of the Benefits (positive or negative) from each of the five Performance Measures plus the Benefits Bank Balance from the preceding quarter, used to determine the Benefits Realization Compensation and Benefits Bank balance for that quarter.
- Distributed Collection(s). Total distributed IV-D collections (excluding non-IV-D collections) from any payment source that is processed through the CSE System (including SDU). Distributed Collections are further defined as the amount of support payments received from a non-custodial parent or other person, agency, employer on behalf of an obligor who is ordered by the court to pay support, or voluntarily pays support, on behalf of the children, spouse or family.
- Missed Compensation. An amount equal to the difference between the Quarterly Compensation Cap and the Benefits Realization Compensation for the current quarter, or zero (\$0) if Compensation Benefits for the period meet or exceed the current period Quarterly Compensation Cap. This amount is added to the Base Quarterly Compensation for the following quarter to determine the Quarterly Compensation Cap.

- Measurement Period. The Measurement Period for the Benefits Realization measures is four years, commencing upon In-production Use of CSE Version 1. The Measurement Period may be extended for up to three years to recover Missed Compensation opportunities that remain open at the end of the four-year Measurement Period.
- Quarterly Compensation Cap. The maximum Compensation that can be paid in a quarter, consisting of the Base Quarterly Compensation plus any Missed Compensation amounts from a previous quarter. The Quarterly Compensation Cap during any of the first three quarters of a State fiscal year may be increased, to the extent that Benefits Realization Compensation exceeds the CAP, and offset by a corresponding decrease in the Quarterly Compensation Cap of the fourth quarter of the same fiscal year so that no net increase in overall compensation occurs during the State fiscal year.

#### 6.2.2 Benefit Performance Measures

Following is a summary of the five Benefits Realization Performance Measures, along with any treatments that are unique to any of these measures:

Collections Distributed as Current Support. The distributed IV-D collections for an applicable reporting period received from a non-custodial parent or other person, agency, employer on behalf of an obligor who is ordered by the court to pay support, or voluntarily pays support, on behalf of the children, spouse or family against a currently due child support obligation as defined in the OCSE 157 report for federal fiscal year 2001.

Collections Distributed as Arrearages. The distributed IV-D collections for an applicable reporting period received from a non-custodial parent or other person, agency, employer on behalf of an obligor who is ordered by the court to pay support, or voluntarily pays support, on behalf of the children, spouse or family against a past due, unpaid support obligation as defined in the OCSE 157 report for federal fiscal year 2001.

Collections through Wage Assignments. The total reported IV-D collections for an applicable reporting period for support payments received from a non-custodial parent and identified as a wage assignment payment as defined in the OCSE 34 report for federal fiscal year 2001.

Interstate Collections. This Performance Measure consists of two distinct components, which will be calculated separately. Increased collections from these measures result from the improved locate functionality of CSE Version 1 that will enable more successful "hits" both in-state and out-of-state.

- Initiating. Total received IV-D collections for an applicable reporting period from non-custodial parents that reside in other states, for the benefit of California cases as identified in the OCSE 34 report for federal fiscal year 2001.
- Responding. Total disbursed IV-D collections for an applicable reporting period made by other states (non-California cases) from non-custodial parents that currently reside in California as identified in the OCSE 34 report for federal fiscal year 2001. These collections represent an important contribution by California to

other CSE programs that are not reflected in the other collections measures used for Benefits Realization Compensation.

Benefits for Provision of Medical Insurance Coverage. Benefits for this measure are derived from the cost avoidance for the State's Medi-Cal program resulting from increases in the total IV-D caseload where medical insurance coverage is provided by an alternate source. Benefits will be calculated as follows:

- For this Benefits Calculation, the unit of measure counted for the Benefits Baseline and measured in the Measurement Period is the number of cases where medical insurance coverage is not provided by Medi-Cal and Healthy Families.
- Benefits will be calculated by multiplying the increase in the number of cases with children eligible for Medi-Cal and Healthy Families with medical insurance coverage provided by an alternate source over the Benefits Baseline for each quarter of the Measurement Period by the average cost of medical insurance coverage:

[Number of Cases with insurance coverage *minus* Benefits Baseline] multiplied by  
35% multiplied by \$450

### 6.2.3 Scope and Approach

Compensation for this Compensation Stream is derived from performance improvements that translate directly into Benefits Realization for the child support program. Many aspects of the Compensation approach for the Benefits Realization measures have common treatment. This subsection will describe the overall treatment for this stream, with details of the particular Benefits Realization measures presented in Section 6.2.2.

Benefits Measured Quarterly. Performance associated with this Compensation Stream will be measured on a quarterly basis throughout the Measurement Period when the data is available.

Benefits Stream Aggregated. The quarterly Compensation Benefits for each Performance Measure will be aggregated to determine the Benefits Realization Compensation accrued for the current quarter. Aggregated Compensation Benefits accrued up to the Quarterly Compensation Cap will be payable for the current period.

Recovery of Missed Compensation. In the event aggregated Compensation Benefits do not meet or exceed the Benefits Baseline for the period, the missed Compensation opportunity will roll forward to the next quarter, and if the Performance Measure is achieved may be recovered in full up to the Quarterly Compensation Payment Cap.

The process for calculating the Benefits Realization Compensation for a quarter is as follows:

- The Benefits are determined by measuring the actual collections for each of the four collections-related measures against the Benefits Baseline and the medical support cost avoidance in accordance with the calculation in the provision of Medical Insurance Coverage paragraph.

- The Compensation Benefits are determined by summing fifty percent (50%) of the Benefits realized for each of the five Performance Measures and adding the Benefits Bank Balance from the preceding quarter.
- The Quarterly Compensation Cap is determined by summing the Base Quarterly Compensation and the Missed Compensation value from a preceding quarter.
- The Benefits Realization Compensation is determined by the lesser of the Quarterly Compensation Cap or the Compensation Benefits or zero (\$0) if the Compensation Benefits total is negative.
- The Missed Compensation is the difference between the Quarterly Compensation Cap and the Benefits Realization Compensation, or zero (\$0) if Compensation Benefits for the period meet or exceed the current period Quarterly Compensation Cap. This is used to calculate the Quarterly Compensation Cap for the following quarter.
- The Benefits Bank Balance is the difference between the Compensation Benefits and the Benefits Realization Compensation. This is used to calculate the Compensation Benefits for the following quarter.

#### 6.2.4 Compensation Calculation

Performance for the five Benefits Realization measures in this Compensation Stream will be determined each quarter during the Measurement Period using data sources and reports that are selected by the State and reasonably approved by the Business Partner. Actual Collections for each of the four Collections-related measures will be compared to the Benefits Baseline and medical support cost avoidance will be quantified using the calculation in the Provision of Medical Insurance Coverage paragraph in order to determine the Benefits realization for the quarter. The Benefits will be discounted by fifty percent (50%) to determine the current Compensation Benefits and then aggregated. Aggregated Compensation Benefits accrued up to the Quarterly Compensation Cap will be payable for the current period.

#### 6.2.5 Additional Opportunity to Bank Benefits to Prevent Missed Compensation

As a separate and additional compensation opportunity relating to streams P256 through P271, inclusive, the Business Partner may add amounts to the Benefits Bank upon the realization of certain key events. The amounts added to the Benefits Bank are not additional compensation, do not change the Base Contract Amount, and are not amounts due or payable upon attaining a compensation milestone. The Benefits Realization compensation stream total amount of \$69,704,588, remains governed by the Quarterly Compensation Cap. These amounts are solely for the purpose of adding to the Benefits Bank, as defined in section 6.2.1, to provide the opportunity to prevent missed compensation and to assure a predictable payment stream and eliminate compensation

spikes. The compensation streams eligible for banking are set forth as bank streams P272-Bank through P335-Bank, inclusive, and detailed specifically as follows:

Compensation Stream - Bank	Compensation amount to be Banked	Compensation Milestone	Performance Measure
P272-Bank	\$ 750,000	Deployment of CSENet functionality in SWS for Managing State Cases with initial pilot state.	Cut-over and in-production use of CSENet functionality
P273-Bank	\$ 750,000	Deployment of CSENet functionality in SWS for Establishment with initial pilot state.	Cut-over and in-production use of CSENet functionality
P374-Bank	\$ 750,000	Deployment of CSENet functionality in SWS for Enforcement with initial pilot state.	Cut-over and in-production use of CSENet functionality
P275-Bank	\$ 750,000	Deployment of CSENet functionality in SWS for Paternity with initial pilot state.	Cut-over and in-production use of CSENet functionality
P276-Bank	\$ 200,000	Alpine County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P277-Bank	\$ 200,000	Amador County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P278-Bank	\$ 200,000	Butte County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P279-Bank	\$ 200,000	Calaveras County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P280-Bank	\$ 200,000	El Dorado County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P281-Bank	\$ 200,000	Nevada County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU



Compensation Stream - Bank	Compensation amount to be Banked	Compensation Milestone	Performance Measure
			for IV-D payment processing
P282-Bank	\$ 200,000	Placer County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P283-Bank	\$ 200,000	Sacramento County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P284-Bank	\$ 200,000	San Diego County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P285-Bank	\$ 200,000	Sierra County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P286-Bank	\$ 200,000	Solano County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P287-Bank	\$ 200,000	Yolo County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P288-Bank	\$ 200,000	Yuba County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P289-Bank	\$ 200,000	Alameda County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P290-Bank	\$ 200,000	Colusa County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P291-Bank	\$ 200,000	Contra Costa County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment

Compensation Stream - Bank	Compensation amount to be Banked	Compensation Milestone	Performance Measure
			processing
P292-Bank	\$ 200,000	Del Norte County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P293-Bank	\$ 200,000	Glenn County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P294-Bank	\$ 200,000	Humboldt County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P295-Bank	\$ 200,000	Kern County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P296-Bank	\$ 200,000	Lake County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P297-Bank	\$ 200,000	Lassen County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P298-Bank	\$ 200,000	Mendocino County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P299-Bank	\$ 200,000	Modoc County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P300-Bank	\$ 200,000	Napa County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P301-Bank	\$ 200,000	Plumas County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment

Compensation Stream - Bank	Compensation amount to be Banked	Compensation Milestone	Performance Measure
			processing
P302-Bank	\$ 200,000	San Bernardino County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P303-Bank	\$ 200,000	San Francisco County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P304-Bank	\$ 200,000	San Luis Obispo County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P305-Bank	\$ 200,000	Santa Cruz County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P306-Bank	\$ 200,000	San Mateo County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P307-Bank	\$ 200,000	Santa Clara County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P308-Bank	\$ 200,000	Shasta County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P309-Bank	\$ 200,000	Siskiyou County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P310-Bank	\$ 200,000	Sonoma County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P311-Bank	\$ 200,000	Tehama County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment

Compensation Stream - Bank	Compensation amount to be Banked	Compensation Milestone	Performance Measure
			processing
P312-Bank	\$ 200,000	Trinity County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P313-Bank	\$ 200,000	Fresno County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P314-Bank	\$ 200,000	Imperial County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P315-Bank	\$ 200,000	Inyo County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P316-Bank	\$ 200,000	Kings County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P317-Bank	\$ 200,000	Madera County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P318-Bank	\$ 200,000	Marin County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P319-Bank	\$ 200,000	Mariposa County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P320-Bank	\$ 200,000	Merced County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P321-Bank	\$ 200,000	Mono County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment

Compensation Stream - Bank	Compensation amount to be Banked	Compensation Milestone	Performance Measure
			processing
P322-Bank	\$ 200,000	Monterey County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P323-Bank	\$ 200,000	Orange County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P324-Bank	\$ 200,000	Riverside County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P325-Bank	\$ 200,000	San Benito County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P326-Bank	\$ 200,000	San Joaquin County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P327-Bank	\$ 200,000	Santa Barbara County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P328-Bank	\$ 200,000	Santa Cruz County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P329-Bank	\$ 200,000	Stanislaus County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P330-Bank	\$ 200,000	Tulare County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P331-Bank	\$ 200,000	Tuolumne County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment

Compensation Stream - Bank	Compensation amount to be Banked	Compensation Milestone	Performance Measure
			processing
P332-Bank	\$ 200,000	Ventura County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P333-Bank	\$ 200,000	Los Angeles County transition to SDU IV-D payment processing	Cut-over and in-production use of SDU for IV-D payment processing
P334-Bank	\$1,000,000	Completion of ARS/CASES acceptance testing – R1 Mods	Acceptance per Rider I
P335-Bank	\$1,500,000	Completion of ARS/CASES acceptance testing – R2 Mods	Acceptance per Rider I
P336-Bank	\$ 750,000	Statewide Non-IV-D payment processing	In-production use of SDU for Non-IV-D payment processing
P337-Bank	\$1,000,000	Guideline Calculator available for use prior to September 1, 2006	In-production use of guideline calculator
<b>Compensation Amount to be Banked Total</b>	<b>\$18,850,000</b>		

#### 6.2.6 Benefit Bank Incentive to Recover Missed Compensation

As a separate and additional compensation opportunity relating to recover missed compensation from compensation streams P256 through P271, inclusive, the Business Partner may add amounts to the Benefits Bank upon the improved ranking among the states and other jurisdictions for which the Federal government reports Federal Performance Measures. For each measure, except Paternity Establishment, the Business Partner may bank \$200,000 for each improvement in California's ranking for the measure above the baseline ranking. The baseline is the higher of:

- a. the rank in the fiscal year preceding the In-production Use of Version 1 or
- b. the highest rank measured following the In-production Use of Version 1.

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#### 6.3 Customer Service Measures

This section addresses Compensation for Customer Service cost savings, efficiency improvements and cost avoidance through customer self-service channels, In-production Use of the State Case Registry and In-production Use of the Customer Service Support Center. Performance Measures in this Compensation Stream are tied directly to the Business Problems of

Worker Effectiveness and Customer Service as the CSE System provides new and improved caseworker and customer service functions, data, tools, access and automation.

At quarterly increments the State will measure specified Website and IVR transaction usage, and Balance Regeneration transaction usage. The State will realize value up to the amount allocated to the Compensation Stream.

The State will use the Closure Document as a vehicle to measure performance and to validate completion of the event and achievement of the performance measure.

**Table 6.3-1**

COMPENSATION STREAMS	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
P450 – P465	\$1,001,502 per quarter for 16 quarters subject to missed Compensation opportunities rolling forward (see section 6.4.2)	Quarterly Measurement of selected Transaction counts beginning after In-production Use of CSE Version 2	Selected Website Transaction counts Selected IVR Transaction counts Transaction counts for Balance Regeneration
P348	\$20,030,054	State Acceptance of Operational Readiness Assessment and Review-V1, Implementation 1	Verification of In-production Use by the LCSAs of the State Case Registry
P349	\$4,006,011	State Acceptance of Operational Readiness Assessment and Review-CSE Version 2 Pilot	Verification of In-production Use of Customer Service Support Center (CSSC) for CSE Version 2 Pilot
<b>Compensation Stream Total</b>	<b>\$40,060,108</b>		

#### 6.3.1 Key Terms in this Section

- Actual Quarterly Payment Cap. The actual payment cap for a period is the Base Quarterly Payment Cap plus any previously missed Transaction-based Customer Service Compensation opportunity that has not yet been recovered.
- Base Quarterly Payment Cap. Transaction-based Compensation for this stream allocated equally over the 16-quarter Measurement Period.
- IVR. The Interactive Voice Response system, which will provide selected automated child support services to users with touch tone telephones.
- Measurement Period. The Measurement Period for the Transaction-based Performance Measures is four years, commencing In-production Use of CSE Version 2 by the first LCSA. The Measurement Period may be extended for up to three years to recover missed Compensation opportunities that remain open at the end of the four-year Measurement Period.



- ORAR-V1. The Operational Readiness Assessment and Review for the CSE Version 1, Implementation 1, which includes assessment of the readiness of the State Case Registry.
- ORAR-V2 Pilot. The Operational Readiness Assessment and Review for the CSE Version 2 Pilot, which includes assessment of the readiness of the Customer Service Support Center, IVR and Website.
- Transaction. A discrete service provided by the IVR, Website or CSE System as identified in Table 6.3-2 that can be counted during the Measurement Period and mutually validated.
- Website. The CSE System e-Child Support Customer Self-service application, which will provide selected automated child support services through the Internet.

#### 6.3.2 Scope and Approach

Compensation for this stream is derived from three types of measures.

1. Cost savings, efficiencies, and cost avoidance resulting from customer service improvements realized through the use of the IVR and Website to provide information and services to customers that previously required caseworker assistance. After implementation of the IVR and Website many of these functions will become self-service and others will save or avoid significant caseworker effort. These estimated savings provide the basis for the Transaction-based Customer Service Compensation.
2. Important customer service improvements will be realized through LCSA web-based access to the State Case Registry. Compensation for this measure will be based on the availability of this capability.
3. Important customer service improvements will also be realized through implementation of the Customer Service Support Center. Compensation for this measure will be based on State Acceptance of the ORAR V2 per Rider I of the CSE Version 2 pilot and the In-production Use of the Customer Service Support Center in the CSE Version 2 pilot.

Transaction-based Compensation Measured Quarterly. A value is has been attributed to each Transaction being measured for Compensation purposes as shown on Table 6.3.2. Transaction counts from data sources or reports selected by the State and reasonably approved by the Business Partner will be maintained and summarized at the end of each quarter during the Measurement Period. The total Transaction count multiplied by the value attributed to each Transaction will represent the Transaction-based Customer Service Compensation accrued for each Performance Measure for the period. For Compensation purposes, all IVR and Website Transactions defined in this Rider D will be counted. The quarterly Transaction-based Compensation for each measure will be aggregated to determine total Compensation accrued for the current quarter. Aggregated Customer Service Compensation accrued up to the Actual Quarterly Payment Cap will be payable for the current period.

The intent of the Customer Service Compensation Stream is to provide an incentive for developing customer service access channels that deliver a range of transactions that make for a more efficient and effective contacts with the child support program. It is also intended that no single channel will produce a disproportionately significant amount of the Compensation. At the end of the first year of the Measurement Period the customer service methodology and approach will be re-evaluated by the parties. To the extent there are more appropriate transaction measures, methodologies, or approaches the State and the Business Partner may, in their discretion, mutually agree to develop new transaction measures, methodologies or approaches or amend or delete the existing transaction measures, methodologies or approaches.

Recovery of Missed Compensation. In the event aggregated Customer Service Transaction Compensation is less than the Actual Quarterly Payment Cap, the missed Transaction Compensation opportunity will roll forward to the next quarter and, if performance warrants, may be recovered by the Business Partner in full.

Banking of Excess Transaction-based Performance. Transaction-based Compensation accrued in excess of the Actual Quarterly Payment Cap in the period will be banked and can be used for augmentation of future Customer Service-related payments, should the need arise. This will eliminate payment spikes in the event Transaction-based performance exceeds expectations, and will result in a predictable payment stream.

1. The bank balance will be a ledger that consists of the cumulative excess Transaction Based Compensation offset by any amounts applied to augment payments.

### 6.3.3 Measurements

The following table details the IVR, Website and other Transactions that will be measured for this Compensation Stream.

**Table 6.3-2**

TRANSACTION	ACCESS CHANNEL	VALUE ATTRIBUTED PER TRANSACTION
Status inquiry of last five disbursements (amount, status, date)	Website/IVR	\$4.50
Obtain payment history for last 6 payments	Website/IVR	\$4.50
Review case activity	Website/IVR	\$4.50
View arrearage balance	Website/IVR	\$4.50
Request a review of child support orders	Website/IVR	\$4.50
Update member addresses and employer information	Website	\$4.50
Set-up automatic deposit of support payments	Website	\$4.50
Request application for child support services	Website	\$4.50
Balance regeneration process	CSE System	\$25.00

Balance Regeneration. A balance regeneration Transaction is initiated by a caseworker in response to a customer request through any access channel or other case needs. For Compensation purposes in this Rider D, balance regeneration Transactions will only be counted for cases that are six months old or greater (measured by the date on which the case is opened) at the time the balance regeneration is performed. Transaction counts for this measure will be limited to one Transaction per quarter for each eligible case.

### 6.3.4 LCSA Access to the State Case Registry (SCR)

This measure is not part of the Transaction-based Compensation. After State Acceptance of the Operational Readiness Assessment and Review-V1, Implementation 1 and upon In-production Use of the State Case Registry for the LCSAs, the Business Partner will provide a Closure Document to the State indicating that the Compensation Milestone P348 has been achieved. The performance measure is contingent upon on State Acceptance of the ORAR-V1, Implementation 1 without conditions concerning the LCSA SCR Access. The State will then verify in accordance with Rule 9 that the Performance Measure for the Compensation Milestone has been achieved.

### 6.3.5 In-production Use of the Customer Service Support Center in the CSE Version 2 Pilot

This measure is not part of the Transaction-based Compensation. After State Acceptance of the Operational Readiness Assessment and Review-V2 Pilot and In-production Use of the Customer Service Support Center, the Business Partner will provide a Closure Document to the State indicating that the Compensation Milestone has been achieved. The performance measure is contingent upon on State Acceptance of the ORAR-V2 without conditions concerning the Customer Service Support Center. The State will then verify in accordance with Rule 9 that the Performance Measure for the Compensation Milestone has been achieved.

### 6.3.6 Compensation Calculation

Compensation calculations for the Performance Measures in this Compensation Stream are described in the preceding subsections. Total Compensation payable for the Customer Service stream shall not exceed five percent (5%) of the Base Contract Amount.

## 6.4 Maintenance and Operations Savings

This section describes Business Partner Compensation for the LCSA Conversions to the CASES system, the LCSA Conversions to CSE Version 2, and the Retirement of Legacy Systems and certain State Auxiliary Systems. This Compensation Stream is derived from Maintenance and Operations (M&O) savings occurring during the Project. Compensation is directly tied to the Business Problem of System Maintainability and based on the program savings that occur as LCSAs are converted to CASES to the CSE Version 2 and Legacy Systems and State Auxiliary Systems are retired.

**Table 6.4-1**

COMPENSATION STREAMS	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
P101	\$423,828	Conversion of Placer County to CASES	Cutover and In-production Use of CASES
P102	\$828,655	Conversion of Santa Barbara County to CASES	Cutover and In-production Use of CASES
P103	\$302,562	Conversion of Yolo County to CASES	Cutover and In-production Use of CASES
P104	\$193,551	Conversion of Yuba County to CASES	Cutover and In-production Use of CASES
P105	\$435,528	Conversion of Shasta County to CASES	Cutover and In-production Use of CASES
P106	\$2,098,146	Conversion of San Bernardino County to CASES	Cutover and In-production Use of CASES
P107	\$350,114	Conversion of Butte County to CASES	Cutover and In-production Use of CASES
P108	\$141,799	Conversion of Mendocino County to CASES	Cutover and In-production Use of CASES
P109	\$219,243	Conversion of Imperial County to CASES	Cutover and In-production Use of CASES
P110	\$742,762	Conversion of San Joaquin County to CASES	Cutover and In-production Use of CASES
P111	\$2,113,513	Conversion of Fresno County to CASES	Cutover and In-production Use of CASES

COMPENSATION STREAMS	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
P112	\$1,005,424	Conversion of Ventura County to CASES	Cutover and In-production Use of CASES
P113	\$1,039,325	Conversion of Kern County to CASES	Cutover and In-production Use of CASES
P114	\$2,123,582	Conversion of Riverside County to CASES	Cutover and In-production Use of CASES
P115	\$70,000	Conversion of San Luis Obispo County to CSE System	Cutover and In-production Use of CSE System
P116	\$1,968,311	Conversion of Sonoma County to CSE System	Cutover and In-production Use of CSE System
P117	\$70,000	Conversion of Sutter County to CSE System	Cutover and In-production Use of CSE System
P118	\$70,000	Conversion of Calaveras County to CSE System	Cutover and In-production Use of CSE System
P119	\$450,000	Conversion of Monterey County to CSE System	Cutover and In-production Use of CSE System
P120	\$70,000	Conversion of San Benito County to CSE System	Cutover and In-production Use of CSE System
P121	\$453,770	Conversion of Tulare County to CSE System	Cutover and In-production Use of CSE System
P122	\$450,000	Conversion of Kings County to CSE System	Cutover and In-production Use of CSE System
P123	\$555,682	Conversion of Sacramento County to CSE System	Cutover and In-production Use of CSE System
P124	\$70,000	Conversion of Santa Cruz County to CSE System	Cutover and In-production Use of CSE System
P125	\$450,000	Conversion of Santa Barbara County to CSE System	Cutover and In-production Use of CSE System
P126	\$20,000	Conversion of Madera County to CSE System	Cutover and In-production Use of CSE System
P127	\$450,000	Conversion of Merced County to CSE System	Cutover and In-production Use of CSE System
P128	\$70,000	Conversion of Siskiyou County to CSE System	Cutover and In-production Use of CSE System
P129	\$900,000	Conversion of El Dorado County to CSE System	Cutover and In-production Use of CSE System
P130	\$70,000	Conversion of Mono County to CSE System	Cutover and In-production Use of CSE System
P131	\$450,000	Conversion of Solano County to CSE System	Cutover and In-production Use of CSE System
P132	\$555,682	Conversion of Fresno County to CSE System	Cutover and In-production Use of CSE System
P133	\$450,000	Conversion of Shasta County to CSE System	Cutover and In-production Use of CSE System
P134	\$70,000	Conversion of Lassen County to CSE System	Cutover and In-production Use of CSE System
P135	\$70,000	Conversion of Alpine County to CSE System	Cutover and In-production Use of CSE System

COMPENSATION STREAMS	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
P136	\$450,000	Conversion of Placer County to CSE System	Cutover and In-production Use of CSE System
P137	\$20,000	Conversion of Mariposa County to CSE System	Cutover and In-production Use of CSE System
P138	\$1,968,311	Conversion of Orange County to CSE System	Cutover and In-production Use of CSE System
P139	\$70,000	Conversion of Tuolumne County to CSE System	Cutover and In-production Use of CSE System
P140	\$450,000	Conversion of Yolo County to CSE System	Cutover and In-production Use of CSE System
P141	\$70,000	Conversion of Humboldt County to CSE System	Cutover and In-production Use of CSE System
P142	\$70,000	Conversion of Sierra County to CSE System	Cutover and In-production Use of CSE System
P143	\$20,000	Conversion of Trinity County to CSE System	Cutover and In-production Use of CSE System
P144	\$450,000	Conversion of Butte County to CSE System	Cutover and In-production Use of CSE System
P145	\$450,000	Conversion of Contra Costa County to CSE System	Cutover and In-production Use of CSE System
P146	\$70,000	Conversion of Plumas County to CSE System	Cutover and In-production Use of CSE System
P147	\$70,000	Conversion of Tehama County to CSE System	Cutover and In-production Use of CSE System
P148	\$555,682	Conversion of San Bernardino County to CSE System	Cutover and In-production Use of CSE System
P149	\$70,000	Conversion of Amador County to CSE System	Cutover and In-production Use of CSE System
P150	\$70,000	Conversion of Del Norte County to CSE System	Cutover and In-production Use of CSE System
P151	\$200,000	Conversion of San Joaquin County to CSE System	Cutover and In-production Use of CSE System
P152	\$70,000	Conversion of Nevada County to CSE System	Cutover and In-production Use of CSE System
P153	\$450,000	Conversion of Stanislaus County to CSE System	Cutover and In-production Use of CSE System
P154	\$70,000	Conversion of Modoc County to CSE System	Cutover and In-production Use of CSE System
P155	\$20,000	Conversion of Lake County to CSE System	Cutover and In-production Use of CSE System
P156	\$70,000	Conversion of Napa County to CSE System	Cutover and In-production Use of CSE System
P157	\$555,682	Conversion of Santa Clara County to CSE System	Cutover and In-production Use of CSE System
P158	\$20,000	Conversion of Mendocino County to CSE System	Cutover and In-production Use of CSE System
P159	\$450,000	Conversion of Ventura County to CSE System	Cutover and In-production Use of CSE System

COMPENSATION STREAMS	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
P160	\$70,000	Conversion of Inyo County to CSE System	Cutover and In-production Use of CSE System
P161	\$70,000	Conversion of Yuba County to CSE System	Cutover and In-production Use of CSE System
P162	\$450,000	Conversion of Alameda County to CSE System	Cutover and In-production Use of CSE System
P163	\$20,000	Conversion of Marin County to CSE System	Cutover and In-production Use of CSE System
P164	\$555,681	Conversion of San Diego County to CSE System	Cutover and In-production Use of CSE System
P165	\$555,682	Conversion of Riverside County to CSE System	Cutover and In-production Use of CSE System
P166	\$70,000	Conversion of Colusa County to CSE System	Cutover and In-production Use of CSE System
P167	\$70,000	Conversion of Glenn County to CSE System	Cutover and In-production Use of CSE System
P168	\$20,000	Conversion of Imperial County to CSE System	Cutover and In-production Use of CSE System
P169	\$200,000	Conversion of Kern County to CSE System	Cutover and In-production Use of CSE System
P170	\$450,000	Conversion of San Mateo County to CSE System	Cutover and In-production Use of CSE System
P171	\$200,000	Conversion of San Francisco County to CSE System	Cutover and In-production Use of CSE System
P172	\$1,553,769	Conversion of Los Angeles County to CSE System	Cutover and In-production Use of CSE System
P173	\$1,294,436	Completion of Retirement of KIDZ Legacy System	KIDZ Legacy System Retirement
P174	\$1,910,372	Completion of Retirement of STAR/KIDS Legacy System	STAR/KIDS Legacy System Retirement
P175	\$2,228,052	Completion of Retirement of CASES Legacy System	CASES Legacy System Retirement
P176	\$1,777,959	Completion of Retirement of ARS Legacy System	ARS Legacy System Retirement
P177	\$1,285,971	Completion of Retirement of Interim Federal Case Registry (IFCR) system	Interim Federal Case Registry (IFCR) system Retirement
P178	\$382,280	Completion of Retirement of California Parent Locator Service (DOJ/CPLS) system	California Parent Locator Service (DOJ/CPLS) system Retirement
P179	\$334,754	Completion of Retirement of California Case Registry (CCR) system	California Case Registry (CCR) system Retirement
<b>Compensation Stream Total</b>	<b>\$40,060,108</b>		

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#### 6.4.1 Key Terms in this Section

- **State Auxiliary System.** For Compensation purposes only in this Rider D, one of the three systems identified in the Table 6.4-1 – Interim Federal Case Registry (IFCR) system, California Parent Locator Service (DOJ/CPLS) system, California Case Registry (CCR) system.
- **Retirement of a State Auxiliary System.** For Compensation purposes only in this Rider D, Retirement of a State Auxiliary System occurs when the business functions or case services of a State Auxiliary System are retired and obsolete, or are used or capable of being performed by the CSE System.
- **LCSA Conversion.** For Compensation purposes in this Rider D, an LCSA Conversion occurs upon the Cutover and In production Use of an LCSA to CASES during Phase I or the Cutover and In production Use to the CSE System during Phase II
- **Legacy System.** For Compensation purposes only in this Rider D, a Legacy System is defined as one of the six consortium CSE systems (ARS, BEST, CASES, CHASER, KIDZ, and STAR/KIDS) currently maintained and operated in the 58 counties, and on LCSA Conversion is completed when all archive data available at the time of LCSA Conversion is loaded into the Legacy Data Archive Database.
- **Retirement of a Legacy System.** For Compensation purposes in this Rider D, Retirement of a Legacy System occurs when the Legacy Data Archive Database is Accepted pursuant to Rider I of this Contract and data from the consortium's final LCSA Conversion is loaded to the Legacy Data Archive Database and is accessible to LCSAs.
- **Measurement Period.** As this Compensation Stream is event-driven, and the schedule for these events is subject to change during Project execution, the Measurement Period for the Compensation set forth in this Section 6.4 shall be the term of this Contract.

#### 6.4.2 Scope and Approach

The Compensation Amounts attributed to each Compensation Milestone represent the M&O Savings that are realized upon achieving the Performance Measure for each Compensation Milestone, and are based on the elimination of usage-based system production costs and end-user support costs upon each LCSA Conversion and the elimination of consortium management, application maintenance and fixed production costs upon each Retirement of a Legacy System and each Retirement of a State Auxiliary System.

Upon LCSA Conversion, Retirement of a State Auxiliary System or Retirement of a Legacy System as defined in section 6.4.1, the Business Partner provides a Closure Document to the State indicating that the Compensation Milestone has been achieved. The State will then verify, pursuant to Rule 9 that the Performance Measure for the Compensation Milestone has been achieved.

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### 6.5 Meeting Federal Requirements

This section describes the CCSAS CSE Project's Compensation approach to achieving federal requirements within an approach that reduces risk through the implementation of CSE Version 1. Implementation of CSE Version 1 will provide the foundation for CSE Version 2. Ultimately, Compensation in this area is tied directly to the Business Problem of Certification that the CSE Version 2 will comply with federal Certification requirements as outlined in this Contract.



**Table 6.5-1**

COMPENSATION STREAM	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
P400-1	\$38,457,704	Operational Readiness Assessment and Review-V1, Implementation 1	State Acceptance on or before August 31, 2006 per Rider I
P400-2	\$25,638,469	Operational Readiness Assessment and Review-V1, Implementation 2	State Acceptance on or before August 31, 2006 per Rider I
P401	\$16,024,043	Production Validation Review of CSE Version 1, after CSE Version 1, Implementation 2	State Unconditional Acceptance of the Production Validation Review per Rider I
P402	Up to \$80,120,216	Statewide In-production use of CSE Version 2	Achievement of CSE Version 2 Federal Certification status
<b>Compensation Stream Total</b>	<b>\$160,240,432</b>		

#### 6.5.1 Key Terms in this Section

- Operational Readiness Assessment and Review (ORAR). This review is intended to determine the status of completion of the specific actions that must be satisfactorily accomplished prior to executing a production go-ahead decision for an implementation.
- Certification. A written determination by OCSE that the CSE System meets FSA 88 and PRWORA certification requirements as defined in *Automated Systems for Child Support Enforcement – A Guide to States (Updated August 2000, OCSE-AT-00-07)*.
- Conditional Certification: Pursuant to FSA 88 and PRWORA certification requirements, as defined in *Automated Systems for Child Support Enforcement – A Guide to States (Updated August 2000, OCSE-AT-00-07)* and AT 90-11, a State may be granted a Conditional Certification at either level if the system meets all functional requirements but does not include a Federally mandated change that occurred late in the systems development life cycle, or if OCSE finds discrepancies which are minor in nature and easily correctible.

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#### 6.5.2 Scope and Approach

Federal system certification is the highest priority of the five Business Problems that must be addressed by the Business Partner. Therefore, it is imperative that a substantial amount of Compensation must be tied to solving the certification Business Problem. In order to provide an incremental approach to solving the certification Business Problem that reduces risks and allows for the early benefits of the CSE System, the certification Compensation methodology provides Compensation beginning with the implementation of CSE Version 1 and demonstrated progress in meeting federal requirements with an opportunity to request a federal review for possible certification through the implementation of CSE Version 1. This will provide incentive for building foundational elements of the CSE System while providing greater uniformity and more effective automation in the LCSAs. The system Certification approach for CSE Version 2 attaches Compensation to the achievement of OCSE approval and provides an opportunity for some percentage of Compensation if the system is initially conditionally certified. The Compensation for

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meeting federal CSE System requirements consists of Compensation Milestones based on the agreed-upon implementation approach. These Compensation Milestones include:

- one (1) Compensation Milestone for CSE ORAR V-1, Implementation 1 acceptance;
- one (1) Compensation Milestone for CSE ORAR V-1, Implementation 2 acceptance;
- one (1) Compensation Milestone for the Version 1 Production Validation acceptance after a successful implementation of CSE Version 1 as described in Rider I; and
- one (1) Compensation Milestone for CSE Version 2 with a holdback in the event CSE Version 2 is conditionally certified.

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#### 6.5.3 CSE Version 1: Operational Readiness Assessment and Reviews

Acceptance of Operational Readiness Assessment and Reviews (ORAR) shall be consistent with Rider I. The ORAR Compensation Milestones are based on a phased implementation approach with compensation to the Business Partner as follows:

- \$38,457,704 will be made upon the Unconditional Acceptance of the ORAR-V1, Implementation 1 by the State on or before August 31, 2006; or,
- \$38,457,704 will be made upon the Conditional Acceptance of the ORAR-V1, Implementation 1 by the State on or before August 31, 2006 where the Deficiencies identified in the State's Acceptance Notice require no corrective action by the Business Partner.
- Notwithstanding Rule 7 contained in this Rider D, if the State Conditionally Accepts the ORAR-V1, Implementation 1 with deficiencies attributable to, and requiring corrective action by, the Business Partner, the State will determine the portion of the \$38,457,704 payable for this Compensation Milestone P400-1 by using the Business Partner's completion of work effort at the time of the ORAR V1, Implementation 1 as the basis for determining business value recognized by the State. The State may holdback no more than twenty percent (20%) for correction of deficiencies attributable to Business Partner responsibilities; and the State shall holdback no compensation for deficiencies in work that is not the responsibility of the Business Partner.
- \$25,638,469 will be made upon the Unconditional Acceptance of the ORAR-V1, Implementation 2 by the State on or before August 31, 2006; or,
- \$25,638,469 will be made upon the Conditional Acceptance of the ORAR-V1, Implementation 2 by the State on or before August 31, 2006 where the Deficiencies identified in the State's Acceptance Notice require no corrective action by the Business Partner.
- Notwithstanding Rule 7 contained in this Rider D, if the State Conditionally Accepts the ORAR-V1, Implementation 2 with deficiencies attributable to, and requiring corrective action by, the Business Partner, the State will determine the portion of the \$25,638,469 payable for this Compensation Milestone P400-2 by using the Business Partner's completion of work effort at the time of the ORAR V1, Implementation 2 as the basis for determining business value recognized by the State. The State may holdback no more than twenty percent (20%) for correction of deficiencies attributable to Business Partner deficiencies; and the State shall holdback no compensation for deficiencies in work that is not the responsibility of the Business Partner.
- The following rules apply to compensation for correction of deficiencies:

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- If deficiencies attributable to Business Partner responsibilities are resolved by the Business Partner on or before August 31, 2006, then payment of all remaining compensation will be made to the Business Partner as soon as possible in accordance with the invoicing procedures.
  - Deficiencies attributable to the Business Partner's responsibilities for CSE Acceptance Criteria 3.14, 3.15, 4.1, 4.4, 7.1, 7.4, 8.1, 8.2, 8.3, 8.4, 8.5, 15.2, 18.2, 20.1, 20.4, and 24 as described in Rider I, section 2.4.1.1, that are not resolved by August 31, 2006 shall not be subject to the August 31, 2006, deadline and payment of all remaining compensation for these deficiencies will be made to the Business Partner as soon as possible in accordance with the State's Contractual Obligations Management Process and invoicing procedures.
  - Except as described above, if any other deficiencies attributable to the Business Partner responsibilities are not resolved on or before August 31, 2006, then any remaining compensation will be carried forward to Compensation Milestone P402 as described in section 6.5.5 of this Rider D.
- Compensation for the ORAR-V1 not paid to the Business Partner under this section 6.5.3 is available for payment under section 6.5.5.

#### 6.5.4 Acceptance of Production Validation Review of CSE Version 1: Compensation

A payment of \$16,024,043 will be made upon the Unconditional Acceptance of the Production Validation Review for CSE Version 1 after CSE Version 1, Implementation 2. The Production Validation Review determines the extent to which CSE Version 1 meets all the Acceptance Criteria in Rider I. The State will validate whether CSE Version 1 meets all the Acceptance Criteria defined in Rider I. Notwithstanding Rule 7 of this Rider D, if the State Conditionally Accepts the Production Validation Review of CSE Version 1, the State will determine the portion of the \$16,024,043 that is payable for this Compensation Milestone P401 by using the Business Partner's completion of work effort at the time of the Production Validation Review for CSE Version 1, Implementation 2, as the basis for determining business value recognized by the State. The State may holdback no more than twenty percent (20%) for correction of deficiencies attributable to Business Partner responsibilities; and the State shall holdback no compensation for deficiencies in work that is not the responsibility of the Business Partner.

#### 6.5.5 CSE Version 2: Compensation

**Unconditional Certification:** Upon a written OCSE determination that CSE Version 2 is unconditionally certified, and fully meets the FSA 88 and PRWORA certification requirements, a payment of \$160,240,432, less any previous payments for this Compensation Stream paid for the CSE Version 1 ORARs and/or CSE Version 1 Production Validation Review, will be made to the Business Partner.

**Conditional Certification:** Upon a written OCSE determination that CSE Version 2 is conditionally certifiable, the State System Certification payment of \$160,240,432 less any previous payments and any accelerated payments as described in section 6.5.3 and 6.5.4 above for this Compensation Stream will be made to the Business Partner. However, the State may withhold the amount of monies necessary to correct an outstanding condition preventing unconditional certification that is the responsibility of the Business Partner to provide. In no event shall this withheld amount be greater than \$16,024,043. The State will reasonably determine if the conditions identified in the certification review warrant a holdback of up to \$16,024,043 as specified in this paragraph. Upon the Business Partner's satisfaction of such conditions and the

State's Acceptance thereof, any amount withheld will become payable. Compensation Rule 7 does not apply to this Compensation Milestone.

## 7. MANAGEMENT PERFORMANCE MEASURES

### 7.1 Balanced Scorecard

This section describes Business Partner Compensation for the Management Performance Balanced Scorecard. This Compensation is for addressing the System Maintainability and Certification Business Problems and solving the System Implementation Business Problems. By tying Business Partner Compensation to the Balanced Scorecard the State mitigates the risk of inconsistent management, development and implementation of the Project and System with federal and State requirements of Rider G and thereby incorporates lessons learned from the SACSS Project. At the start of each calendar quarter for twenty consecutive quarters beginning with month four of the CSE System Project schedule, the State shall measure Business Partner Management Performance for the previous quarter to determine the extent to which Business Partner Management Performance Compensation is payable. The State will document these measures using a Balanced Scorecard approach, and will adhere to the guiding principles, assumptions, and scoring mechanics outlined herein to complete the Balanced Scorecard.

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**Table 7.1-1**

COMPENSATION MILESTONE No.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
M234	\$3,874,443	1 <sup>st</sup> quarterly project management review beginning in project month four	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M235	\$3,874,443	2 <sup>nd</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M236	\$3,874,443	3 <sup>rd</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M237	\$4,029,229	4 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M238	\$6,043,843	5 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M239	\$6,043,844	6 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M240	\$6,043,843	7 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M241	\$6,043,843	8 <sup>th</sup> quarterly project	Satisfactory rating or better for

COMPENSATION MILESTONE No.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
		management review	Management Performance per the Balanced Scorecard
M242	\$6,043,844	9 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M243	\$6,043,844	10 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M244	\$6,043,843	11 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M245	\$6,043,843	12 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M246	\$2,014,614	13 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M247	\$2,014,614	14 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M248	\$2,014,614	15 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M249	\$2,014,614	16 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M250	\$2,014,614	17 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M251	\$2,014,614	18 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M252	\$2,014,614	19 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M253	\$2,014,614	20 <sup>th</sup> quarterly project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
<b>Compensation Stream Total</b>	<b>\$80,120,217</b>		

### 7.1.1 Scope and Approach

The Management Performance Balanced Scorecard will only measure performance under reasonable control of the Business Partner, and the Management Performance Balanced Scorecard will be grounded in the Business Partner's contractual responsibilities as described in Rider G. Three performance ratings will be used: Excellent, Satisfactory and Unsatisfactory. Any Excellent ratings provided by the State on the Management Performance Balanced Scorecard must be substantiated by examples where the Business Partner exceeded expectations. Satisfactory ratings provided by the State on the Management Performance Balanced Scorecard may include identification of areas for Business Partner improvement. Unsatisfactory ratings provided by the State on the Management Performance Balanced Scorecard require the State's identification of performance deficiencies and actions necessary by the Business Partner to achieve a Satisfactory rating. The State may also provide Unsatisfactory ratings when areas for improvement have been identified on previous Management Performance Balanced Scorecards, but the areas for improvement have failed to be subsequently addressed by the Business Partner.

A baseline, or Satisfactory score for each Management Performance Balanced Scorecard attribute is 1, while attributes with Excellent ratings will receive a score of 1.25, and attributes with Unsatisfactory ratings will receive a score of 0. Each attribute included on the Management Performance Balanced Scorecard will carry an equal weighting.

The State and Business Partner will develop and mutually agree on a checklist to guide the State's rating of the Management Performance Balanced Scorecard attributes. This checklist may be revised during different phases of the Project through mutual agreement. Each such checklist must address the category and attribute descriptions described in Section 7.1.2, and must be consistent with the rating description in Section 7.1.3. In the event the parties cannot agree on a checklist, the category and attribute descriptions in Section 7.1.2 shall constitute the checklist without further clarification.

The State will have five (5) state business days after the end of the quarterly performance period to complete the Management Performance Balanced Scorecard. If the State provides a rating of any Management Performance Balanced Scorecard attribute as Unsatisfactory, the State will have up to an additional five (5) state business days to document specific actions required of the Business Partner to achieve a rating of Satisfactory.

Scores are totaled and divided by the number of Management Performance Balanced Scorecard attributes to calculate the payment ratio. The payment ratio is multiplied by the Compensation amount allocated to the performance period to determine the amount payable to Business Partner. If the payment ratio is greater than one hundred percent (100%) the Business Partner shall receive accelerated Compensation for the Management Performance Balanced Scorecard. The accelerated Compensation will come from the last remaining milestones within the Compensation Stream. If the payment ratio is less than one hundred percent (100%) the Business Partner shall receive a reduced percentage of the full Compensation amount. If Compensation is withheld due to a payment ratio of less than one hundred percent (100%), the Business Partner may recover missed Compensation when the documented actions are addressed by the Business Partner and the State gives the Business Partner a Satisfactory rating. Assessment of these corrective actions will occur monthly. If the payment ratio is equal to or less than fifty percent (50%), no Compensation is available in the current period.

The State will cease to use the Management Performance Balanced Scorecard as a method for determining Business Partner Management Performance Compensation following the Business Partner's achievement of the Performance Measures for the Compensation Stream Total amount

available. Any disagreement on a Management Performance Balanced Scorecard assessment rating can be resolved through the Disputes process.

### 7.1.2 Category and Attribute Description

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**Table 7.1-2**

ATTRIBUTES	EXAMPLE MEASURES	EXAMPLE SOURCES
<b><i>Project Management</i></b>		
Schedule Performance	Are tasks and deliverables being completed according to schedule?	Project Schedule and associated reports
Issue Resolution/Partnering	Are problems being identified and resolved in a timely and cooperative manner?	Partnering Agreement; Issue Management Tool and associated reports; Change Request Management process
Lead Personnel	Are lead personnel responsive, available, and demonstrating requisite skills?	Org Chart; Feedback from CCSAS Project staff
Quality of Services	Are Services and deliverables being completed consistent with Rider G and the Acceptance Criteria?	SOW; CDL Items; PMA; TMA; Work Products; QA/IV&V reports
<b><i>System Development (Technical Architecture, Application Development)</i></b>		
Schedule Performance	Are tasks and deliverables being completed according to schedule?	Project Schedule and associated reports
Issue Resolution/Partnering	Are problems being identified and resolved in a timely and cooperative manner?	Partnering Agreement; Issue Management Tool and associated reports; Change Request Management process
Lead Personnel	Are lead personnel responsive, available, and demonstrating requisite skills?	Org Chart, Feedback from CCSAS Project staff
Quality of Services	Are Services and deliverables being completed consistent with Rider G and the Acceptance Criteria?	SOW; CDL Items; PMA; TMA; Work Products; QA/IV&V reports
<b><i>Implementation (Change Management, Conversion, HW/SW Rollout, User Training, Local Interfaces, Onsite Support)</i></b>		
Schedule Performance	Are tasks and deliverables being completed according to schedule?	Project Schedule and associated reports



ATTRIBUTES	EXAMPLE MEASURES	EXAMPLE SOURCES
Issue Resolution/Partnering	Are problems being identified and resolved in a timely and cooperative manner?	Partnering Agreement; Issue Management Tool and associated reports Change Request Management process
Lead Personnel	Are lead personnel responsive, available, and demonstrating requisite skills?	Organizational Chart; Feedback from CCSAS Project staff
Quality of Services	Are Services and deliverables being completed consistent with Rider G and the Acceptance Criteria?	SOW; CDL Items; PMA; TMA; Work Products; QA/IV&V reports

## 7.1.3 Score

Table 7.1-3

RATING	SCORE	CRITERIA
Excellent	1.25	For the item being evaluated, Business Partner's contractual responsibilities were (are being) exceeded and problems were (are being) proactively identified and solved with minimal cost and/or schedule impact.
Satisfactory	1.00	For the item being evaluated, Business Partner's contractual responsibilities were (are being) met and if significant problems were (are being) encountered, they were (are being) satisfactorily resolved by the Business Partner.
Unsatisfactory	0.00	For the item being evaluated, Business Partner does not meet the standard for Satisfactory performance.

## 7.1.4 Balanced Scorecard Example

The following table sets forth an example of the methodology for calculating the Compensation associated with the Balanced Scorecard. It is included for illustration purposes only.

Table 7.1-4

ATTRIBUTES	EXAMPLE RATING	SCORE VALUE
<b>Project Management</b>		
➤ Schedule Performance	Satisfactory	1
➤ Issue Resolution/Partnering	Satisfactory	1
➤ Lead Personnel	Unsatisfactory	0
➤ Quality of Services	Satisfactory	1
<b>System Development (Technical Architecture, Application Development)</b>		
➤ Schedule Performance	Satisfactory	1
➤ Issue Resolution/Partnering	Satisfactory	1
➤ Lead Personnel	Satisfactory	1
➤ Quality of Services	Excellent	1.25
<b>Implementation (Change Management, Conversion, HW/SW Rollout, User Training, Local Interfaces,</b>		

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ATTRIBUTES	EXAMPLE RATING	SCORE VALUE
<b>Onsite Support)</b>		
➤ Schedule Performance	Satisfactory	1
➤ Issue Resolution/Partnering	Satisfactory	1
➤ Lead Personnel	Satisfactory	1
➤ Quality of Services	Satisfactory	1
<b>Total Score</b>		<b>11.25</b>
Payment Ratio (Total Score/12)		93.75%
Compensation amount available for performance period	(example only)	\$4,500,000
<b>Compensation Payable (amount available multiplied by the payment ratio)</b>		<b>\$4,218,750</b>
<b>Compensation withheld until documented actions are addressed</b>		<b>\$281,250</b>

## 7.2 Key Project Deliverables

This section addresses Compensation related to Key Project Deliverables. This Compensation is for solving the System Implementation Business Problem. By tying Business Partner Compensation to State Acceptance of Key Project Deliverables the State mitigates the risk that the system is not managed and is not completed consistent with the agreed to Project Schedule and thereby incorporates lessons learned from the SACSS Project.

When the Business Partner has completed a Key Project Deliverable, the State will measure the value realized for all Business Partner provided Services and deliverables as of that milestone.

State Acceptance of Key Project Deliverables shall follow the Acceptance Process for such Key Project Deliverables set forth in Rider I. When the State Accepts a Key Project Deliverable, the State has realized business value for the amount allocated to the Key Project Deliverable Compensation Milestone, and the Performance Measure for that Key Project Deliverable will have been achieved. When performance is measured and not realized, no Compensation is paid.

Business Partner Compensation tied to State Acceptance of Deliverables is limited to the CDL Items identified in this section as Key Project Deliverables and designated as Compensation Milestones.

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**Table 7.2-1**

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
M101	\$7,910,164	Project Management Plan	State Acceptance of CDL PM 001
M102	\$7,910,164	Project Schedule	State Acceptance of CDL PM 009
M103	\$7,910,164	Work Breakdown Structure	State Acceptance of CDL PM 011
M104	\$1,977,541	Issue Management Plan	State Acceptance of CDL PM 016
M105	\$1,977,541	System Configuration Management Plan	State Acceptance of CDL TM 003

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
M106	\$3,955,082	Risk Management Plan	State Acceptance of CDL PM 012
M107	\$7,910,164	Knowledge Management Plan	State Acceptance of CDL TM 007
M108	\$3,955,082	System Engineering Management Plan	State Acceptance of CDL TM 001
M109	\$7,910,165	Quality Management Plan	State Acceptance of CDL PM 013
M110	\$1,977,541	Business Process Transition Plan-First Submission	State Acceptance of CDL TM 056
M111	\$1,977,541	Outreach Plan-First submission	State Acceptance of CDL TM 053
M112	\$1,977,541	User Interface Standard-First Submission	State Acceptance of CDL TM 013
M113	\$1,977,541	User Training Plan	State Acceptance of CDL TM 064
M114	\$1,977,541	System/Subsystem Specification-V1	State Acceptance of CDL TM 016-1
M115	\$2,019,116	System/Subsystem Specification-V2	State Acceptance of CDL TM 016-2
M116	\$2,019,116	System/Subsystem Design Description-V1	State Acceptance of CDL TM 017-1
M117	\$8,076,462	Software Requirements Specification-V1	State Acceptance of CDL TM 020-1
M118	\$2,019,116	Legacy Data Archive Plan	State Acceptance of CDL TM 040
M119	\$4,038,231	CSE-SDU Interface design Description-V1	State Acceptance of CDL TM 030-1
M120	\$4,038,231	External Entity Interface Design Description-V1	State Acceptance of CDL TM 031-1
M121	\$4,038,231	Software Test Plan-First Submission	State Acceptance of CDL TM 033
M122	\$4,038,231	Software Design Description-V1	State Acceptance of CDL TM 021-1
M123	\$8,076,462	System/Subsystem Design Description-V2	State Acceptance of CDL TM 017-2
M124	\$4,038,231	Legacy Data Archive Database Description	State Acceptance of CDL TM 100
M125	\$8,076,462	Software Requirements Specification-V2	State Acceptance of CDL TM 020-2
M126	\$4,038,231	User Interface Standard-Subsequent Submission	State Acceptance of CDL TM 013
M127	\$8,076,462	Software Test Plan-Subsequent Submission	State Acceptance of CDL TM 033
M128	\$4,038,231	CSE-SDU Interface Design Description-V2	State Acceptance of CDL TM 030-2
M129	\$4,038,231	External Entity Interface Design Description-V2	State Acceptance of CDL TM 031-2
M130	\$8,076,462	Customer Service Support Center Plan	State Acceptance of CDL TM 073
M131	\$8,076,462	Software Design Description-V2	State Acceptance of CDL TM 021-2

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURES
M132	\$4,038,231	Business Process Transition Plan – Subsequent Submission for Version 2	State Acceptance of CDL TM 056
M133	\$8,076,462	Outreach Plan – Second submission	State Acceptance of CDL TM 053
<b>Compensation Stream Total</b>	<b>\$160,240,433</b>		

### 7.3 Key Events

This section addresses Compensation for Key Events. This Compensation is for addressing the System Implementation and System Maintainability Business Problems. By tying Business Partner Compensation to State Acceptance of Key Events the State mitigates the risk of inconsistent development of the CSE System with industry standards and implementation of the CSE System without the necessary system documentation, and thereby incorporates lessons learned from the SACSS Project.

When the Business Partner has completed a Key Event, the State will measure the value realized for all Business Partner provided Services and deliverables as of that milestone.

State Acceptance of the Key Event follows the Acceptance Process for it set forth in Rider I. When the State Accepts the Key Event the State has realized value for the amount allocated to the Key Event Compensation Milestone and the Performance Measure for that Compensation Milestone will have been achieved. For Compensation Milestone M364 only, compensation may only be withheld for a rejection. If the State Unconditionally or Conditionally Accepts the ORAR for Version 1, Implementation 1, the State will pay the full amount due for this Compensation Milestone M364.

Business Partner Compensation tied to State Acceptance of Key Events is limited to the Key Events identified in this section as Key Events and designated as Compensation Milestones.

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**Table 7.3-1**

Compensation Milestone No.	Compensation Amount	Compensation Milestones	Performance Measures
M354	\$1,924,065	Permanent Project Facilities Startup	State Acceptance as set forth in Rider I
M355	\$3,848,131	System/Subsystem Requirements Review-V1	State Acceptance as set forth in Rider I
M356	\$3,848,131	System/Subsystem Requirements Review-V2	State Acceptance as set forth in Rider I
M357	\$2,014,283	System/Subsystem Design Review-V1	State Acceptance as set forth in Rider I
M358	\$6,042,848	Software Requirements Review-V1	State Acceptance as set forth in Rider I
M359	\$8,057,130	Software Design Review-V1	State Acceptance as set forth in Rider I
M360	\$10,071,413	System/Subsystem Design	State Acceptance as set forth

Compensation Milestone No.	Compensation Amount	Compensation Milestones	Performance Measures
		Review-V2	in Rider I
M361	\$8,057,130	Software Requirements Review-V2	State Acceptance as set forth in Rider I
M362	\$2,014,283	Legacy Data Archive Database Established	State Acceptance as set forth in Rider I
M363	\$8,057,130	Software Design Review-V2	State Acceptance as set forth in Rider I
M364	\$16,114,260	Operational Readiness Assessment and Review-V1, Implementation 1	State Acceptance as set forth in Rider I
M365	\$8,057,130	Operational Readiness Assessment and Review-V2 Pilot	State Acceptance as set forth in Rider I
M366	\$2,014,283	Operational Readiness Assessment and Review-V2 Rollout	State Acceptance as set forth in Rider I
<b>Compensation Stream Total</b>	<b>\$80,120,217</b>		

## 8. SYSTEM PERFORMANCE MEASURES

### 8.1 System Defects-CSE Version 1

This section addresses Compensation for the Avoidance and Clearance of CSE Version 1 Significant Defects. This Compensation is for addressing the System Maintainability Business Problem. By tying Business Partner Compensation to the avoidance and timely clearance of system Significant Defects the State mitigates the risk of failing to meet State needs.

At quarterly increments the State will measure Business Partner performance in Avoidance and Clearance against Release Schedule. To the extent the Business Partner meets the Release Schedule the State will realize value up to the amount allocated to the Compensation Milestone.

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**Table 8.1-1**

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
S101	\$12,018,032	1 <sup>st</sup> Quarterly Review of CSE System-V1 Defects for Statewide Services Capability In-production Use	Avoidance and Clearance of Significant Defects per Release Schedule
S102	\$12,018,032	2 <sup>nd</sup> Quarterly Review of CSE System-V1 Defects	Avoidance and Clearance of Significant Defects per Release Schedule
S103	\$4,006,012	3 <sup>rd</sup> Quarterly Review of CSE System-V1 Defects	Avoidance and Clearance of Significant Defects per Release Schedule

S104	\$4,006,011	4 <sup>th</sup> Quarterly Review of CSE System-V1 Defects	Avoidance and Clearance of Significant Defects per Release Schedule
<b>Compensation Stream Total</b>	<b>\$32,048,087</b>		

## 8.1.1 Key Terms in this Section

- **Critical Function.** Critical functions are articulated in system design documents referenced in Rider G.
- **Release Schedule.** The schedule for prioritizing and releasing system corrections developed pursuant to the release schedule process to be defined in the Software Development Plan (CDL TM 002).
- **Significant Defect.** Severity Level 1 and 2 Defects.
- **Avoidance and Clearance.** The approved corrections Significant Defects including the release of these corrections into production consistent with the System Configuration Management Procedures (CDL TM 004).

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Table 8.1-2

DEFECT AVOIDANCE AND CLEARANCE	SEVERITY LEVELS & EXAMPLES
<b>Severity 1</b>	<b>Critical function cannot be used and has direct negative impact on CSE System customers. No workaround reasonably acceptable to the State is available. Emergency fix is required. The emergency fix may be a stop-gap, temporary solution, such as a data correction program.</b>
<b>Examples:</b>	<ul style="list-style-type: none"> <li>➤ Inbound EFT file from SDU cannot be processed. Payments cannot be disbursed to Custodial Parents.</li> <li>➤ IRS process has error that could submit the wrong Non Custodial Parents for tax refund intercept.</li> <li>➤ Payment allocation has significant error where substantial portion of a payment is not disbursed or is over-disbursed and scenario where error occurs is high volume.</li> </ul>
<b>Severity 2</b>	<b>Critical function cannot be used and has direct negative impact on CSE System work effectiveness or inhibits a critical business function or critical program compliance. No workaround reasonably acceptable to the State is available. High priority fix is required. In some instances, these may be Severity 1 issues where a temporary, stop-gap fix has been applied to allow enough time to adequately develop and test the permanent solution.</b>
<b>Examples:</b>	<ul style="list-style-type: none"> <li>➤ Enforcement function to submit delinquent Non Custodial Parents cannot run. Potential delay in enforcing delinquent order, which indirectly delays when payments may be received.</li> <li>➤ Case Initiation function does not work. Caseworkers must hold onto incoming new case applications until function is repaired.</li> <li>➤ Payment allocation has rounding error where a few cents not disbursed or is over-disbursed.</li> <li>➤ Payment allocation has significant error but only effects a few payments.</li> </ul>

Scenario where error can occur is low volume.	
➤ System should have prevented data exception that is causing problems with the Data Reliability Audit. For example, a system edit is required to prevent users from entering paternity information incorrectly.	
<b>Severity 3</b>	<b>Function can be used with minor restrictions or function contains minor discrepancies. A workaround may be available, but is manually intensive or otherwise difficult to use.</b>
<b>Examples:</b>	<ul style="list-style-type: none"> <li>➤ When entering multiple notes/events for a case, the case ID in the header clears after each update, and must be reentered for each note.</li> <li>➤ User must scroll to see error message text and then scroll back to correct problem identified in error message text.</li> <li>➤ IRS intercept criteria bypasses a few cases that could have been referred.</li> </ul>
<b>Severity 4</b>	<b>Function can be used with minor restrictions. A workaround may be available, and substantially substitutes for the system function. Not critical.</b>
<b>Examples:</b>	<ul style="list-style-type: none"> <li>➤ Direct navigation between related screens is not available. Users can access the function using a "two step" navigation path.</li> <li>➤ System erroneously creates duplicate case note entries to record case management event.</li> <li>➤ Error message is confusing. Could be more helpful in directing the user to the right corrective action.</li> </ul>
<b>Severity 5</b>	<b>Cosmetic issue, documentation need, or anything not covered by 1-4.</b>
<b>Examples:</b>	<ul style="list-style-type: none"> <li>➤ Report prints with headers off-center from data items.</li> <li>➤ Cosmetic changes to screen layout.</li> <li>➤ Correction of spelling error in online help text.</li> </ul>

The Severity level definitions defined in the table above may be refined or changed by mutual agreement prior to and during the measurement period for Avoidance and Clearance of Significant Defects.

### 8.1.2 Scope and Approach

Avoidance and Clearance of data and operational Significant Defects identified during In-production Use of CSE Version 1, and continuing through full implementation of CSE Version 2 represent the Compensation opportunities in the System Performance area and further serve to enhance system maintainability.

Defect Avoidance and Clearance is not a single "event", but rather an ongoing process that commences with the implementation of CSE Version 1. Compensation in this category is tied to the ongoing results of the resolution of significant Defects in CSE System production.

### 8.1.3 Measurements

As Significant Defects are identified and validated, they will be scheduled for resolution (during the current period or in a future period), based on their severity level and priority, by guidelines in the Software Development Plan (CDL TM 002) and by the development of the Release Schedule. The Business Partner and the State may mutually agree to adjustments to the quarterly Release Schedule as priorities change, constraints are identified, or other circumstances warrant an

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adjustment to the Release Schedule. The System Performance Measure is met upon Avoidance and Clearance of the Significant Defects consistent with the Release Schedule during the applicable quarter. If the State fails to complete System Qualification Testing per the mutually agreed to Release Schedule, the State will compensate the Business Partner in full for that milestone. The State may, however, still Reject the Avoidance and Clearance and reschedule the Avoidance and Clearance.

#### 8.1.4 Compensation Calculation

Results of the Avoidance and Clearance process will be assessed on a quarterly basis, with current Compensation based on the disposition of Significant Defects scheduled for Avoidance and Clearance during the quarter. Any Compensation not accrued in the quarter (i.e., some scheduled Significant Defects were not resolved) will be deferred to the following quarter, and be payable based on the Avoidance and Clearance of the outstanding Significant Defects. For example, if 10 Significant Defects were scheduled for Avoidance and Clearance in a quarter and only 9 were resolved, then 90% of the allocated payment would be released, and 10% of the payment would be held back. As the outstanding Significant Defects for the quarter are cleared, any held back payment amounts will be released. They do not need to wait until the next quarterly Review of the CSE System Defects milestone.

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### 8.2 System Defects-CSE Version 2

This section addresses Compensation for the Avoidance and Clearance of CSE Version 2 Significant Defects. This Compensation is for addressing the System Maintainability Business Problem. By tying Business Partner Compensation to the Avoidance and Clearance of system Significant Defects the State mitigates the risk of failing to meet State needs.

At quarterly increments the State will measure Business Partner performance in Avoidance and Clearance against Release Schedule. To the extent the Business Partner meets the Release Schedule the State will realize value up to amount allocated to the Compensation Milestone.

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Table 8.2-1

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
S205	\$6,009,016	1 <sup>st</sup> Quarterly Review of CSE System-V2 Defects beginning with the use of CSE System-V2 in production in the First County.	Avoidance and Clearance of Significant Defects per Release Schedule
S206	\$6,009,016	2 <sup>nd</sup> Quarterly Review of CSE System-V2 Defects	Avoidance and Clearance of Severity Significant Defects per Release Schedule
S207	\$6,009,016	3 <sup>rd</sup> Quarterly Review of CSE System-V2 Defects	Avoidance and Clearance of Significant Defects per Release Schedule
S208	\$6,009,016	4 <sup>th</sup> Quarterly Review of CSE System-V2 Defects	Avoidance and Clearance of Significant Defects per Release Schedule
S209	\$6,009,016	5 <sup>th</sup> Quarterly Review of CSE System-V2 Defects	Avoidance and Clearance of Significant Defects per Release Schedule

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S210	\$6,009,017	6 <sup>th</sup> Quarterly Review of CSE System-V2 Defects	Avoidance and Clearance of Significant Defects per Release Schedule
S211	\$6,009,017	7 <sup>th</sup> Quarterly Review of CSE System-V2 Defects	Avoidance and Clearance of Significant Defects per Release Schedule
S212	\$6,009,016	8 <sup>th</sup> Quarterly Review of CSE System-V2 Defects	Avoidance and Clearance of Significant Defects per Release Schedule
<b>Compensation Stream Total</b>	<b>\$48,072,130</b>		

### 8.2.1 Key Terms in this Section

Same as described for S101-104 CSE Version 1 System Defects Compensation Stream.

### 8.2.2 Scope and Approach

Same as described for S101-104 CSE Version 1 System Defects Compensation Stream.

### 8.2.3 Measurements

Same as described for S101-104 CSE Version 1 System Defects Compensation Stream.

### 8.2.4 Compensation Calculation

Same as described for S101-104 CSE Version 1 System Defects Compensation Stream.

## 8.3 System Availability

This section addresses Compensation for Production Server Side System Availability. This Compensation is for solving the System Maintainability Business Problem. By tying Compensation to system availability the State mitigates the risk of the system failing to meet federal and State requirements.

At quarterly increments the State will measure Business Partner performance in CSE Version 1 and 2 Production Server Side System Availability. When the Business Partner meets or exceeds the Performance Measure, the State has realized value for the amount allocated to the Compensation Milestone.

Table 8.3-1

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
S313	\$5,368,055	1 <sup>st</sup> Quarterly Measurement of CSE System Production Server Side Availability beginning 1 Month after the In-production Use of the CSE System-V1 In-production Use in the first county,	99.5% Availability of the Production Server Side System
S314	\$5,368,055	2 <sup>nd</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System

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COMPENSATION MILESTONE No.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
S315	\$5,368,055	3 <sup>rd</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S316	\$2,643,967	4 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S317	\$2,643,967	5 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S318	\$400,601	6 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S319	\$400,601	7 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S320	\$400,601	8 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S321	\$400,601	9 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S322	\$400,601	10 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S323	\$400,601	11 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S324	\$400,601	12 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S325	\$400,601	13 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S326	\$400,601	14 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S327	\$400,601	15 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S328	\$400,601	16 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S329	\$400,601	17 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System

COMPENSATION MILESTONE No.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
		Availability	System
S330	\$400,601	18 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
S331	\$128,192	19 <sup>th</sup> Quarterly Measurement of CSE System Production Server Side Availability	99.5% Availability of the Production Server Side System
<b>Compensation Stream Total</b>	<b>\$26,728,104</b>		

System Availability Performance Measure may be refined or changed by mutual agreement as reflected in the applicable Accepted CDL Items.

### 8.3.1 Key Terms in this Section

- Excusable Downtime. Excusable downtime means the aggregate number of hours in any month during which the production Server Side environment is down due to a regularly scheduled outage, or other mutually agreed, deliberate maintenance activity.
- Production On-line System. The production on-line system is defined as the production environment and the software components required to provide the CSE application functionality to internal users of the system. This does not include the external customer's Web-site or the IVR component.
- Server Side System Availability. The availability of the server-side system will be determined using a mutually selected CSE system transaction that simulates access to the system by an end user, without traversing the wide area network or associated components such as routers, and that exercises some application logic and accesses the production database. If, during a reported outage, this transaction fails to obtain the defined response to its request, the system will be deemed to be unavailable. The system will be deemed to be available once again upon subsequent successful operation of the transaction, or demonstrated availability of the system to an end user.
- Total Time in Average Month. Is expressed in minutes and is calculated as 365 multiplied by 24 multiplied by 60 divided by 12.
- Total Unavailable Downtime. The accumulated minutes that the system is unavailable, excluding excusable downtime, during the month.

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### 8.3.2 Scope and Approach

Compensation for this Compensation Stream is derived from server-side availability. System availability is a measure of the CSE System providing opportunity to process transactions and is not a measure of the correctness of the behavior or functionality of the system, or specific functionality within the system, that may be affected by application software Defects, except where the system is rendered inaccessible to the end user community as a result of such defective behavior.

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### 8.3.3 Measurements

Server Side System Availability is measured excluding periods of excusable downtime.

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The unavailable times will be obtained from the help desk problem ticket records pursuant to the approach specified in the Accepted Performance and Capacity Management Plan (CDL TM 086).

#### 8.3.4 Compensation Calculation

SERVICE LEVEL OBJECTIVES (SLO)	MEASUREMENT
Production Server Side System Availability percentage	>= 99.5%

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The Production Server Side System Availability percentage is calculated as follows:

(Total Time in Average Month minus Total Unavailable Time) multiplied by 100 divided by Total Time in Average Month.

If the Production Server Side System Availability percentage is equal to or greater than 99.5% the Business Partner is eligible for full Compensation for the Production Server Side System Availability Compensation Milestone. If the Production Server Side System Availability percentage is less than 99.5% the Business Partner is not eligible for any Compensation for the Production Server Side System Availability Compensation Milestone for that period. The missed Compensation opportunity will be recovered in full when Production Server Side System Availability percentage returns to 99.5% or greater and is maintained at that level for a period of one month.

#### 8.4 Help Desk Call Wait Time

This section addresses Compensation for Help Desk Call Wait Time. This Compensation is for addressing the System Maintainability Business Problem. By tying Compensation to Help Desk Call Wait Time the State mitigates the risk of failing to maintain the system consistently with the requirements of Rider G.

At quarterly increments the State will measure Business Partner performance in Help Desk Call Wait Time. When the Business Partner meets or exceeds the Performance Measure, the State has realized value for the amount allocated to the Compensation Milestone.

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**Table 8.4-1**

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
S332	\$5,368,055	1 <sup>st</sup> Quarterly Measurement of CSE Help Desk beginning 1 month after In-production Use of CSE System-V1,	90% of Calls are Answered within Thirty-five Seconds
S333	\$5,368,055	2 <sup>nd</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S334	\$5,368,055	3 <sup>rd</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S335	\$2,643,967	4 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S336	\$2,643,967	5 <sup>th</sup> Quarterly Measurement of CSE	90% of Calls are Answered

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
		Help Desk	within Thirty-five Seconds
S337	\$400,601	6 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S338	\$400,601	7 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S339	\$400,601	8 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S340	\$400,601	9 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S341	\$400,601	10 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S342	\$400,601	11 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S343	\$400,601	12 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S344	\$400,601	13 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S345	\$400,601	14 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S346	\$400,601	15 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S347	\$400,601	16 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S348	\$400,601	17 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S349	\$400,601	18 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
S350	\$136,204	19 <sup>th</sup> Quarterly Measurement of CSE Help Desk	90% of Calls are Answered within Thirty-five Seconds
<b>Compensation Stream Total</b>	<b>\$26,736,116</b>		

#### 8.4.1 Key Terms in this Section

- Call. A customer telephone connection transferred from the IVR system to a live operator.
- Help Desk Call Wait Time. The time taken for a call to be answered by a live operator after a transfer is requested from the IVR system.
- Wait Time Limit. The amount of time a live operator has to answer a Call

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#### 8.4.2 Scope and Approach

Help Desk Call Wait Time is a measure of the responsiveness to DCSS and LCSA management and staff requests for program or technical service.

#### 8.4.3 Measurements

The Help Desk Call Wait Time Percentage is the percentage of calls that are answered within the defined wait time limit.

The length of Help Desk Call Wait Time for each call will be captured by the IVR system.

#### 8.4.4 Compensation Calculation

SLO	MEASUREMENT
Help Desk Call Wait Time Percentage	90% <= 35 sec

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Help Desk Call Wait Time Percentage is calculated as follows:

Number of Calls that waited less than the Wait Time Limit multiplied by 100 divided by Total Number of Calls.

If the Help Desk Call Wait Time percentage is equal to or greater than 90% the Business Partner is eligible for full Compensation for the Help Desk Call Wait Time Compensation Milestone. If the Help Desk Call Wait Time percentage is less than 90% the Business Partner is not eligible for any Compensation for the Help Desk Call Wait Time Compensation Milestone for that period. The missed Compensation opportunity will be recovered in full when the Help Desk Call Wait Time Percentage is restored to 90% or greater and maintained at that level for a period of one month.

### 8.5 Maintenance and Operations Balanced Scorecard

This section addresses Compensation for the Maintenance and Operations Balanced Scorecard. This Compensation is for solving the System Maintainability Business Problem. By tying Compensation to the Maintenance and Operations Balanced Scorecard the State mitigates the risk that the system can not be maintained consistently with federal and State requirements as the CSE System is designed and available to support Child Support Program business operations including policy changes.

At quarterly increments the State will measure Business Partner performance in Maintenance and Operations. To the extent the Business Partner meets the Performance Measures the State will realize value up to amount allocated to the Compensation stream.

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**Table 8.5-1**

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
S351	\$5,287,934	1 <sup>st</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations beginning 1 month after In-production Use of CSE System-V1	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S352	\$5,287,934	2 <sup>nd</sup> Quarterly Measurement of CSE	Satisfactory rating or better

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
		Balanced Scorecard for Systems Maintenance and Operations	for Maintenance & Operations Attributes per the Balanced Scorecard
S353	\$5,287,934	3 <sup>rd</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S354	\$2,724,087	4 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S355	\$2,724,087	5 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S356	\$400,601	6 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S357	\$400,601	7 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S358	\$400,601	8 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S359	\$400,601	9 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S360	\$400,601	10 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S361	\$400,601	11 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S362	\$400,601	12 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S363	\$400,601	13 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the

COMPENSATION MILESTONE NO.	COMPENSATION AMOUNT	COMPENSATION MILESTONES	PERFORMANCE MEASURE
			Balanced Scorecard
S364	\$400,601	14 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S365	\$400,602	15 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S366	\$400,602	16 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S367	\$400,602	17 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S368	\$400,601	18 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
S369	\$136,204	19 <sup>th</sup> Quarterly Measurement of CSE Balanced Scorecard for Systems Maintenance and Operations	Satisfactory rating or better for Maintenance & Operations Attributes per the Balanced Scorecard
<b>Compensation Stream Total</b>	<b>\$26,655,996</b>		

#### 8.5.1 Scope and Approach

The Maintenance and Operations Balanced Scorecard will only measure performance under reasonable control of the Business Partner. Four performance ratings will be used: Excellent, Satisfactory, Conditionally Satisfactory, and Unsatisfactory. Any Excellent ratings provided by the State on the Maintenance and Operations Balanced Scorecard must be substantiated by examples where the Business Partner exceeded expectations. Satisfactory ratings provided by the State on the Maintenance and Operations Balanced Scorecard may include identification of areas for Business Partner improvement. Conditionally Satisfactory ratings provided by the State on the Maintenance and Operations Balanced Scorecard require the State's identification of deficiencies and the required corrective actions to achieve a Satisfactory rating. Unsatisfactory ratings provided by the State on the Maintenance and Operations Balanced Scorecard require the State's identification of performance deficiencies and actions necessary by the Business Partner to achieve a Satisfactory rating. The State may also provide Unsatisfactory ratings when areas for improvement have been identified on previous Maintenance and Operations Balanced Scorecards, but the areas for improvement have failed to be subsequently addressed by the Business Partner.

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A baseline, or Satisfactory score for each Maintenance and Operations Balanced Scorecard attribute is 1, attributes with Excellent ratings will receive a score of 1.25, attributes with Conditionally Satisfactory ratings will receive a score of 0.50, and attributes with Unsatisfactory ratings will receive a score of 0. The three life cycle phases on the Maintenance and Operations Balanced Scorecard will allocate compensation as follows: The System Change Management Life Cycle Phase will allocate 40% compensation, The Maintenance and Operations Management Life Cycle Phase will allocate 40% compensation, and the Knowledge and Transition Management will allocate 20% compensation. Each attribute within a Life Cycle Phase will carry an equal weighting.

The State and Business Partner will develop and mutually agree on a checklist to guide the State's rating of the Maintenance and Operations Balanced Scorecard attributes. This checklist may be revised during different phases of the Project through mutual agreement. Each such checklist must address the category and attribute descriptions described in Section 8.5.2, and must be consistent with the rating description in Section 8.5.3.

The State will have five (5) state business days after the end of the quarterly performance period to complete the Maintenance and Operations Balanced Scorecard. If the State provides a rating of any Maintenance and Operations Balanced Scorecard attribute as Conditionally Satisfactory or Unsatisfactory, the State will have up to an additional five (5) state business days to document specific actions required of the Business Partner to achieve a rating of Satisfactory.

Scores are totaled and divided by the number of Maintenance and Operations Balanced Scorecard attributes to calculate the payment ratio. The payment ratio is multiplied by the Compensation amount allocated to the performance period to determine the amount payable to Business Partner. If the payment ratio is greater than one hundred percent (100%) the Business Partner shall receive accelerated Compensation for the Maintenance and Operations Balanced Scorecard. The accelerated Compensation will come from the last remaining milestones within the Compensation Stream. If the payment ratio is less than one hundred percent (100%) the Business Partner shall receive a reduced percentage of the full Compensation amount. If Compensation is withheld due to a payment ratio of less than one hundred percent (100%), the Business Partner may recover missed Compensation when the documented actions are addressed by the Business Partner and the State gives the Business Partner a Satisfactory rating. Assessment of these corrective actions will occur monthly. If the payment ratio is equal to or less than fifty percent (50%), no Compensation is available in the current period.

The State will cease to use the Maintenance and Operations Balanced Scorecard as a method for determining Business Partner Maintenance and Operations Compensation following the Business Partner's achievement of the Performance Measures for the Compensation Stream Total amount available. Any disagreement on a Maintenance and Operations Balanced Scorecard assessment rating can be resolved through the Disputes process.

An attribute of the Maintenance and Operations Balanced Scorecard assessment is whether the Business Partner is following and maintaining up-to-date technical documentation. The State will review the appropriate BP technical documentation referenced in the agreed to scorecard to determine what specific sections of those documents have not been updated appropriately and notify the Business Partner of these required updates. The State and Business Partner will mutually agree upon a plan and schedule for the updates where the documentation does not contain a plan for updates. The Business Partner will be evaluated on whether they have performed to the plan and schedule. This activity would only have an impact on the Maintenance and Operations Balanced Scorecard rating if there were any technical documentation identified by the State that was not updated by the Business Partner.



### 8.5.2 Category and Attribute Description

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**Table 8.5-2**

<b>Life Cycle Phase: System Change Management (Problem Resolution, Configuration Management, Release Management)</b>	
<b>Attributes</b>	<b>Items</b>
Quality of Services	System change related plans are followed
Partnering Services	Solving system change resolutions are coordinated with State Staff.
Schedule Performance	System changes are managed consistent with State approved schedules
<b>Life Cycle Phase: Maintenance and Operations Management (System Operations, Service Delivery, Helpdesk and System Performance)</b>	
<b>Attributes</b>	<b>Items</b>
Quality of Services	Operations and Maintenance related plans and work products are followed
Partnering Services	Operations and Maintenance services are managed and coordinated with State Staff.
Schedule Performance	Operations and Maintenance is performed according to State approved schedules
<b>Life Cycle Phase: Knowledge and Transition Management (Training, Transition)</b>	
<b>Attributes</b>	<b>Items</b>
Quality of Services	KM and System Transition related plans and work products are followed
Partnering Services	KM and System Transition services are managed and coordinated with State Staff
Schedule Performance	KM and System Transition is performance according to State approved schedules

### 8.5.3 Ratings

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The ratings for Maintenance and Operations Balance Scorecard are defined in table 8.5-3.

**Table 8.5-3**

<b>Balanced Scorecard Rating Guide</b>			
<b>Symbol</b>	<b>Rating</b>	<b>Score</b>	<b>Criteria</b>
E	Excellent	1.25	For the item being evaluated, the Business Partner's contractual responsibilities were (are being) exceeded and problems were (are being) proactively identified and solved with minimal cost and/or schedule impact.

<u>S</u>	<u>Satisfactory</u>	<u>1.00</u>	<u>For the item being evaluated, the Business Partner's contractual responsibilities were (are being) met and if significant problems were (are being) encountered, they were (are being) satisfactorily resolved by the Business Partner.</u>
<u>C</u>	<u>Conditionally Satisfactory</u>	<u>0.50</u>	<u>For the item being evaluated, the Business Partner's contractual responsibilities are being met however there are deficiencies that require corrective action</u>
<u>U</u>	<u>Unsatisfactory</u>	<u>0.00</u>	<u>For the item being evaluated, the Business Partner does not meet the standard for Conditionally Satisfactory performance.</u>

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**Deleted:** The same Balanced Scorecard Guiding Principles, Assumptions, and Scoring Mechanics as defined in the Management Performance Balanced Scorecard section will be used. ¶  
<#>Category and Attribute Description¶  
**Table 8.5-2¶**  
**ATTRIBUTES**

... [1]

## 9. CONVERSION HARDWARE COSTS

The following represents a one-time Hardware purchase for the specific Hardware as more particularly described in CSE Project Change Order No. 00031 and in Table 9-1 listed below. The total cost for the Hardware listed below is \$43,299.37. This cost includes a three (3) year warranty on the Hardware. The Hardware will be monitored and maintained by the Business Partner. Maintenance will only be provided during the three (3) year warranty. The Business Partner is authorized to bill the State for this Hardware upon shipment of the Hardware to the Healthy and Human Services Data Center (HSDC).

**Table 9-1**

MFG #	Description	QTY
867051X	IBM xSeries 345	2
71P8967	Dual 2.8 GHZ 533mHz with Xeon Processor	2
33L5039	2 GB PC2100 ECC DDR SDRAM RDIMM	2
32P0750	IBM 146.8GB 10k RPM Ultra 320 SCSI HotSwap	10
71P8595	IBM Server Raid-6i SCSI Controller	2
59P4057	Power Supply - IBM xSeries 350 W Hot-Swap	2
21P2078	WARR 3YR 24X7X4	2
830581U	NETVISTA M42 P4-2.6 256/40 48X/LAN XPP DT	8
33L3304	IBM 256 PC2100 CL2.5 NP DDR	8
09N4231	120GB 7200 RPM ATA EIDE HDD	8
41L2740	3 YR 24X7X4	8
9306420	Netbay 42 SR Standard Rack Cabinet - 42u standalone	1
09N4291	Netbay 2X8 Console Switch	2
94G7442	Fixed Shelf	8
32P1031	Netbay 1U Flat Panel Monitor Console Kit w/Keyboard	1
09N4293	7ft Console Cable Set	7
94G7447	12ft Console Cable Set	3

32P1736	DPI Universal Rack PDU	3
<b>Shipping</b>	Ground Freight	
<b>Total</b>		\$ 43,299.37

## 10. PROJECT SCHEDULE ADJUSTMENT COMPENSATION

### 10.1 Additional Services and Goods to be Provided by the Business Partner

The CSE Project Schedule Adjustment is being provided by the Business Partner on a fixed price basis. The total fixed price for the CSE Project Schedule Adjustment is \$13,771,993. The Compensation Milestones set forth in this Section 10 are separate and distinct from the other Compensation Milestones in this Rider D and do not change the Base Contract Amount of \$801,202,166. In consideration for the Compensation Milestones set forth below, the Business Partner will provide the following goods and services including, but not limited to:

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- Modifications to the existing Business Partner project facilities such as additional cabling and equipment relocation charges to accommodate the necessary additional CSE Business Partner project staff to accomplish the CSE Project Schedule adjustment;
- Additional new Business Partner facilities, furnishing and "fit up" services for the Business Partner's CSE project staff not accommodated through existing Business Partner project facility modifications;
- Additional hardware and software to support the Business Partner CSE project staffing augmentation;
- An earlier deployment of hardware and software at the e-Business Hosting Center and Help Desk site;
- Additional CSE application maintenance resources to support the accelerated deployment of Statewide Services functionality;
- Additional staff to support the Project Schedule Adjustment;
- Expanded CSE Version 1 training as described in Rider G, SOW TM 13.3.1-V1;
- Additional implementation resources to support modifications to CSE V1 implementation deliverables;
- Additional implementation support for concurrent implementation activities;
- Expanded End User Training for earlier implementation of CSE Version 1;
- Expanded Help Desk support for earlier implementation of CSE Version 1; and
- Three additional months of Maintenance and Operations support.

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The total price of \$13,771,993 will be invoiced by the Business Partner in eleven (11) Compensation Milestones as set forth below:

Compensation Milestone No.	Compensation Amount	Compensation Milestone	Performance Measure
M367 Eliminated Per CR 2-00189			
M368	\$2,070,630	Training Development	Upon State acceptance of Closure Document for completion of the Training Materials
M369	\$628,142	Training Delivery	Upon State acceptance of Closure Document for completion of the Course Delivery for CSE Version 1.
M370-1	\$446,657	Expanded Help Desk during CSE Version 1, Implementation 1	Upon State acceptance of Closure Document for completion of the first month of CSE V1, Implementation 1 System In-production Use
M370 -2	\$297,772	Expanded Help Desk during CSE Version 1, Implementation 2	Upon State acceptance of Closure Document for completion of the first month of CSE V1 System In production Use after Implementation 2
M371	\$3,643,000	8 <sup>th</sup> Quarterly Project management review	Satisfactory rating or better for Management Performance per the Balanced Scorecard
M372	\$1,492,081	Additional Project Facilities and Testing Environment	State Acceptance as set forth in Rider I section 2.1.3
M373	\$ 745,000	Update to Business Process Transition Plan as described in CDL TM 056	State Acceptance of CDL TM 056 Update
P180	\$973,461	Early Maintenance and Operations – Month 1	CSE Version 1, Implementation 1 In-production use prior to

			November 1, 2005.
P181	\$973,461	Early Maintenance and Operations – Month 2	CSE Version 1, Implementation 1 In-production use prior to December 1, 2005.
P182	\$973,461	Early Maintenance and Operations-Month 3	CSE Version 1, Implementation 1 In-production use prior to January 1, 2006.
P183	\$438,328	Training Maintenance and Support (NTE 2,500 hours of support)	Actuals Billed Monthly as Part of the M&O Invoices
P184	\$1,090,000	Achievement of CSE Project Major Milestone 10 as described in Rider G, Section 6.2	Upon State Acceptance of a Closure Document that the last scheduled ARS/CASES Conversion has been completed

Notwithstanding the provisions of section 7.1.1 of this Rider D, the Business Partner shall only earn the amount of compensation as set forth in M371 even if the Business Partner earns an "Excellent" rating for Management Performance on the Balanced Scorecard.

### 10.3 Payment Conditions

The parties agree that the State will not have any obligation to pay any of the Compensation Milestones for the Project Schedule Adjustment prior to State Fiscal Year 2005/06. The Business Partner agrees not to invoice the State for Compensation Milestones M368, M369, M370-1, M370-2, M371, M372, M373, P183 and P184 before June 10, 2005. If CSE Version 1, Implementation 1, In-production Use as defined in Rider D, Section 2, subsection 14, does not occur before January 1, 2006, the State shall not be obligated to compensate the Business Partner for Compensation Milestones P180, P181 and P182.

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### 10.4 Additional Compensation for Approved Change Orders

Additional Compensation Milestones are described below as a result of approved change orders. They are not part of and do not affect the Base Contract Amount as defined herein at section 2(12). These Compensation Milestones are subject to all appropriation provisions as described in Rider E of this CSE Contract.

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Table 10-4.1

Compensation Milestone No.	Change Order	Description of Change	Compensation Amount	Performance Measure
S370	Change Order No. CR-2-	OCSE 34A Federal Report	\$1,213,312	State Acceptance of a Closure Document indicating that

	00167	revisions		Change Order has been completed.
S371	Change Order No. CR-2-00205	OCSE 157 Federal Report revisions	\$ 865,457	State Acceptance of a Closure Document indicating that Change Order has been completed.
S372	Change Order No. CR-2-00241	Collection in Adjustment File	\$ 189,035	State Acceptance of a Closure Document indicating that Change Order has been completed.
S373	Change Order No. CR-C-00020	Identify Primary Employer Name	\$ 94,125	State Acceptance of a Closure Document indicating that Change Order has been completed.
S374	Change Order No. CR-2-00104	DFAS Interface	\$ 654,336	State Acceptance of a Closure Document indicating that Change Order has been completed.
S375	Change Order No. CR-2-00232	Legacy Data Archive Element	\$2,913,423	State Acceptance of a Closure Document indicating that Change Order has been completed.
S376	Change Order No. CR-2-00163	E-Filing with California Courts	\$2,761,159	State Acceptance of a Closure Document indicating that Change Order has been completed.
<b>Total</b>			\$8,690,847.00	

**Table 10.4-2**

<b>Compensation Milestone No.</b>	<b>Change Order</b>	<b>Description of Change</b>	<b>Compensation Amount</b>	<b>Performance Measure</b>
S377-1	Change Order No. CR-C-00025	Suspended Collections Work Process for Counties/DCSS	\$410,697.00	Completion of SRS V1 (TM 020-1) and SDD V1 (TM 021-1) Updates as verified by an approved Deliverable Change

				Request
S377-2	Change Order No. CR-C-00025	Suspended Collections Work Process for Counties/DCSS	\$202,283.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S378-1	Change Order No. CR-C-00036	FCR Interface Update-Release 05-02	\$373,293.00	Completion of SRS (TM 020-1) and SDD V1 (TM 021-1) Updates as verified by an approved Deliverable Change Request
S378-2	Change Order No. CR-C-00036	FCR Interface Update-Release 05-02	\$186,646.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S379-1	Change Order No. CR-C-00045	Image Access During V2 Rollout	\$174,432.00	Completion of SRS V2 (TM 020-2) and SDD V2 (TM 021-2) Updates as verified by an approved Deliverable Change Request
S379-2	Change Order No. CR-C-00045	Image Access During V2 Rollout	\$85,915.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S380-1	Change Order No. CR-C-00052	Non-IVD Collections	\$1,339,945.00	Completion of SRS V1 (TM 020-1) and SDD V1 (TM 021-1) Updates as verified by an approved Deliverable Change Request
S380-2	Change Order No. CR-C-00052	Non-IVD Collections	\$669,973.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S381-1	Change Order No. CR-2-00164	Add Automated Bar Coding & Verification for	\$2,854,402.00	Completion of SRS V2 (TM 020-2) and SDD V2 (TM 021-2) Updates as verified

		Mail		by an approved Deliverable Change Request and Closure Document indicating successful completion of Infrastructure Installation
S381-2	Change Order No. CR-2-00164	Add Automated Bar Coding & Verification for Mail	\$1,427,201.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S382-1	Change Order No. CR-2-00245	Conversion of Outstanding Disbursements	\$1,328,823.00	Completion of SRS V2 (TM 020-2) and SDD V2 (TM 021-2) Updates as verified by an approved Deliverable Change Request
S382-2	Change Order No. CR-2-00245	Conversion of Outstanding Disbursements	\$664,412.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S383	Change Order No. CR-2-00266	Enhanced Data Handling in SWS	\$391,250.00	Completion of SRS V1 (TM 020-1) and SDD V1 (TM 021-1) Updates as verified by an approved Deliverable Change Request
S384-1	Change Order No. CR-2-00268	Managing County Business Rules	\$1,105,916.00	Completion of SRS V1 (TM 020-1) and SDD V1 (TM 021-1) Updates as verified by an approved Deliverable Change Request
S384-2	Change Order No. CR-2-00268	Managing County Business Rules	\$552,908.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S385	Change Order No. CR-2-	Participant Near Match Report	\$180,413.00	Completion of SRS V1 (TM 020-1) and



	00269			SDD V1 (TM 021-1) Updates as verified by an approved Deliverable Change Request
S386	Change Order No. CR-2- 00275	Client Side Performance Monitoring	\$72,330.00	State Acceptance of a Closure Document indicating the successful installation of the "Wily Introscope Browser Response Time Adapter."
S387-1	Change Order No. CR-2- 00276	Fund Reconciliation Adjustment Page	\$399,780.00	Completion of SRS V1 (TM 020-1) and SDD V1 (TM 021-1) Updates as verified by an approved Deliverable Change Request
S387-2	Change Order No. CR-2- 00276	Fund Reconciliation Adjustment Page	\$199,890.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S388	Change Order No. CR-2- 00285	Central Financial Worker Training Support	\$453,622.00	Upon State Acceptance of a Closure Document indicating the completion of the first session of Central Financial Worker training as described in the updated User Training Plan (TM 064-1 and TM 064- 2)
S389-1	Change Order No. CR-2- 00286	IV-A Closed Cases	\$204,407.00	Completion of SRS V2 (TM 020-2) and SDD V2 (TM 021-2) Updates as verified by an approved Deliverable Change Request
S389-2	Change Order No. CR-2-	IV-A Closed	\$102,203.00	Completion of acceptance tests

	00286	Cases		with no outstanding Severity 1 or Severity 2 Defects
S390-1	Change Order No. CR-2-00287	IV-A Error Summary Page	\$350,286.00	Completion of SRS V2 (TM 020-2) and SDD V2 (TM 021-2) as verified by an approved Deliverable Change Request
S390-2	Change Order No. CR-2-00287	IV-A Error Summary Page	\$175,143.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S391-1	Change Order No. CR-2-00288	IV-A/ IV-D Reports	\$353,704.00	Completion of SRS V2 (TM 020-2) and SDD V2 (TM 021-2) as verified by an approved Deliverable Change Request
S391-2	Change Order No. CR-2-00288	IV-A/ IV-D Reports	\$176,852.00	Completion of acceptance tests with no outstanding Severity 1 or Severity 2 Defects
S392-1	Change Order No. CR-2-00290	CCSAS Testing C-IV & ISAWS	\$985,563.00	State Acceptance of a Closure Document indicating successful completion of additional C-IV Testing as described in the IV-A Test Scripts
S392-2	Change Order No. CR-2-00290	CCSAS Testing C-IV & ISAWS	\$492,781.00	State Acceptance of a Closure Document indicating successful completion of additional ISAWS Testing as described in the IV-A Test Scripts
Total			\$15,915,070.00	

The same Balanced Scorecard Guiding Principles, Assumptions, and Scoring Mechanics as defined in the Management Performance Balanced Scorecard section will be used.

### Category and Attribute Description

**Table 8.5-2**

ATTRIBUTES	EXAMPLE MEASURES	EXAMPLE SOURCE
<b><i>System Maintenance</i></b>		
System Change Management	Are system change requests being prioritized and addressed consistent with the Change Request Management process? Are system changes being completed per a mutually agreed schedule?	System Configuration Management Procedures and reports
Knowledge Management	Is the Knowledge Management plan being executed? Are State personnel being provided an opportunity to participate in system maintenance and operations?	Knowledge Management Plan, Feedback from CCSAS Project staff
Defect Repair	Are Defects being cleared per a mutually agreed Quarterly Defect Release Schedule?	Quarterly Process consistent with approach defined in System Defects-V1 and System Defects-V2
Conformance with System Standards	Are application changes being implemented consistent with mutually agreed technical standards? Are technical documentation CDLs up-to-date?	Technical specifications and standards

### Ratings

The same Ratings as defined in the Management Performance Balanced Scorecard section will be used.